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Southeast Asia Report

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12 December 1985

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AUSTRALIA

FORMER PRIME MINISTER SAYS SUP, USSR BEHIND NZ POLICY

Sydney THE AUSTRALIAN in English 31 Oct 85 p 2

[Article by Peter Samuel in Washington: "Soviets behind NZ Nuclear Policy, Says Fraser"]

[Text] THE former Australian Prime Minister Mr Malcolm Fraser yesterday told an audience here that New Zealand's anti nuclear policies were a direct result of a Soviet decision to infiltrate its Labour Party.

Speaking at a meeting of the American Enterprise Institute on South Pacific security issues, Mr Fraser said there should be no mystery about New Zealand's wrecking of the ANZUS alliance.

Mr Fraser said the Socialist Unity Party (SUP) was "formed as a direct result of decisions in Moscow". It was funded over the years by the Soviets, and one Soviet ambassador had been expelled after being caught giving money to New Zealand communists.

The Soviet scheme had been to control the SUP, infiltrate the unions and the Labour Party and turn their policies in an anti-Western, pro-Soviet direction. They had been "thoroughly successful".

The Soviets had demonstrated their close attention to New Zealand affairs by Radio Moscow's comments on the night of the last election that the victory by the Labour Party would lead to the breakup of ANZUS.

"The Soviets see the door open to them in the South Pacific", Mr Fraser said. He cited the gains made by the Soviets in New Zealand and in so-called fishing agreements with Kiribati and other small

island States.

These would give them access for not only commercial boats but for warships and aircraft.

"This becomes a strategic problem if out of 1/4 you get Soviet bases."

Mr Fraser said: "ANZUS is as dead as it can be. Without ANZUS there is no solid basis for the continuation of the American alliance."

"The legal basis of the alliance tends to disappear. It comes to depend on specific agreements and general goodwill."

The former Liberal prime minister told the Americans that his successor, the Prime Minister, Mr Hawke, was just as committed to the American alliance and suspicious of the Soviet Union as himself.

But there was always a danger that the Left and anti-nuclear groups could pick on a single issue, make an enormous fuss and cause a Hawke Government to weakly capitulate for the sake of peace. The withdrawal of Australian support for MX testing was an example of this.

Mr Fraser was very critical of the Carter and Reagan administrations for failing to override the legal privileges given to US tuna fishermen, saying the tuna issue had made many Pacific islanders anti-American.

On the American communications bases at Pine Gap and Nurrungar, he said: "One of the two cannot be duplicated anywhere else. For a mixture of geographical and technical reasons, it cannot be reproduced elsewhere."

It appears Mr Fraser was referring to the Pine Gap base, which is generally described as a processing facility for signals intercepts. Being on the same longitude as the eastern Soviet Union, Pine Gap can conveniently receive vast quantities of telecommunications signal gathered by a signals intelligence (Sigint) satellite in geosynchronous orbit to Australia's north.

Soviet internal radio transmissions, radio phones and microwave relays can presumably be tapped by the huge antennas of the Sigint satellite. On the ground at Pine Gap, computers are used to sort through the vast quantities of innocuous talk and data exchanges to try and cull rare nuggets of intelligence interest.

Mr Fraser appears to be endorsing the view that while direct satellite-to-satellite transmissions back to the US are feasible for early-warning missile launch data that presently go through Nurrungar, Pine Gap is of continuing vital importance because of the sheer volume of data its signals intelligence satellite has to send.

/9317

CSO: 4200/280

AUSTRALIA

HAYDEN STATEMENT ON FOREIGN POLICY VIEWED

BK260925 Melbourne Overseas Service in English 0710 GMT 26 Nov 85

/From the "International Report" program moderated by (Andrea McCloughlan)/

/Text/ Australian foreign policy has been put under the microscope with an important debate in the federal parliament. The minister for foreign affairs, Mr Bill Hayden, has made a major statement on foreign policy in which he has detailed the direction the Labor Government is taking. Our correspondent John Lombard was in parliament to hear the statement.

/Begin recording/ /Hayden/ In this respect the Australian Government has two paramount objectives in its conduct of foreign policy. One is to protect and promote the national interests in a highly volatile world. By the national interests, I mean, that we hold as our primary obligation the security of Australia and the protection of the social and economic wellbeing of the Australian people. Our second paramount objective is to pursue a determined and independent role as a middle-ranking nation in the search for a better world order.

/John Lombard/ This is how Mr Hayden opened the debate. Labor Governments in Australia have traditionally been more active in foreign policy than their conservative opponents, and the Labor Administration of Prime Minister Bob Hawke has been no exception.

Since winning power in March 1983, Bill Hayden has been an extraordinarily busy foreign minister. He has made many important visits overseas though sadly up to now he has ignored the South Pacific. But in his speech, Mr Hayden announced that he would be making an extensive tour of the South Pacific next year. In his travels to date Mr Hayden has taken a high profile on such as issues of trying to find a solution to the Kampuchean problem, and arms control and nuclear disarmament. But it was to the independence of Australian foreign policymaking that Mr Hayden paid some attention during the debate in parliament.

The foreign minister said that although Australia maintained its independence, its commitment to the alliance with the United States was both strong and deep.

/Hayden/ Let there be no ambiguity about the government's attitude on this point. (?Deputy chair), we are not pacifists, we are sober realists who have

chosen to throw Australia's support behind the capacity and willingness of the United States to play the major role of maintaining international security. But we are not mindless camp followers either. Like any other independent nation with definite interests to protect, we reserve the right to disagree with our friends if disagreement is called for. Our relationship with the United States, however, is such that we can differ without falling out terminally.

/Lombard/ But Mr Hayden made it clear that a commitment to the Western Alliance did not mean ignoring the Soviet Union.

/Hayden/ It would be wrong to infer that our membership with the Western Alliance disqualifies Australia for rational contact with the other center of super-power. Given the fundamental worldwide concerns deriving from the tension between the superpowers, Australia would be wrong to preclude itself from dialogue with the USSR simply because it is an active member of the Western association of nations. The Australian Government therefore is working towards a more positive and a more constructive relationship with the USSR. Australia has made it clear, at the time it happened and subsequently, we condemned the Soviet invasion of Afghanistan and other actions by the USSR which we consider unacceptable. But we have still attempted to establish a sound basis for promoting Australia's interests in the relationship.

USSR after all is a powerful state with legitimate interests which have to be considered and negotiated however unpleasant some people might find the USSR, it is so powerful that there are few international problems which could be solved without its participation.

/Lombard/ Mr Hayden. But the Labor Government's foreign policy views came under attack from the opposition. Mr Andrew Peacock, a former foreign minister, is the opposition spokesman on foreign affairs. Mr Peacock said Labor had adopted a phony independent stand.

/Peacock/ Quite simply, we have become a pale and reluctant partner in the Western alliance. We have a role to play, and we are not playing it. Instead of supporting our friends and allies, we undercut them. Instead of assuming an activist and genuinely internationalist role, Labor has assumed a phony independence. The so-called independence which in reality is increasingly isolationist and concerned with avoiding commitments; a so-called independence, which postures the internationalist and relies on the paralysis of the UN system, is an excuse for inaction.

/Lombard/ Mr Peacock. The debate in parliament will continue. John Lombard in Canberra for International Report. /end recording/

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CSO: 4200/31C

AUSTRALIA

VICTORIAN ALP CRITICIZED ON UNION DEFENSE

Sydney THE AUSTRALIAN in English 28 Oct 85 p 8

[Editorial: "Victorian ALP Votes for Political Suicide"]

[Text]

THE Victorian branch of the ALP voted on Saturday for anarchy. It demanded that legislation to outlaw the Builders Labourers Federation (BLF) be dropped.

The branch believes that unions are above the law and that the sort of anarchy and contempt for decency as practised by the Victorian BLF is acceptable behaviour for Australia in 1985. It is not.

No wonder the federal Minister for Industrial Affairs, Mr Willis, said the motion was asking the Federal Government and the governments of NSW and Victoria to commit political suicide.

Deregistration proceedings are being taken against the BLF in the ACT, Victoria and NSW.

The Federal Government, person for person, has a better team of performers than did the last coalition government. The Wran Government has far more good performers than exist in the Liberal Opposition in NSW. In fact, after Mr Greiner, it is difficult even to think of names in the NSW Opposition let alone how they are performing.

In Victoria, the Cain Government has made itself a model of rectitude. Given that it is a Labor Government, its performance, like that of NSW, can

be compared favourably with past governments'.

The one danger to Labor governments holding office is unacceptable union behaviour. The Federal Government in particular has been paying too high a price in its efforts to appease militant unions.

If the economy falters next year with the balance of payments worsening and inflation rising it will be because at feeding time for the unions, the Government tossed them meals that the country cannot digest.

The Labor governments concerned must press on with deregistration of the BLF. We concern ourselves about social values and fairness in society but what the BLF practises is destructive and downright un-Australian.

The motion passed at the Victorian conference also calls on the Cain Government to repeal all anti-union legislation, or, if this cannot be achieved, to undertake not to use any section of those Acts.

A society that does not believe in obeying the laws laid down by elected governments is not a democratic society. The Australian people are not about to become an authoritarian society of the Right or the Left.

The survival of Labor governments is indeed at stake.

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CSO: 4200/280

AUSTRALIA

EDITORIAL WARNS OF RISKS IN ECONOMY

Sydney THE AUSTRALIAN in English 30 Oct 85 p 10

[Editorial: "The Grave Risks We Face in the Economy"]

[Text]

THE Australian economy is now at an extremely crucial stage, with the Hawke Government hopeful that it will continue on its present growth path through to 1987.

But there is also a grave risk that it could easily slip into a devaluation/inflation spiral that would see Australia's unemployment rate return to double-digit figures.

The Government's Budget strategy is significantly predicated on the 20 per cent devaluation providing a major boost to the economy by lifting export returns and cutting imports. This expected drop in imports would then see local manufacturers meeting a large proportion of household and business consumption.

But there are now growing signs that this strategy may not succeed. The latest figures on industry output, for example, show the devaluation has yet to produce any widespread boost to local manufacturers.

The recent balance of payments figures - which showed increased imports and a widening international trade deficit - have also boosted fears that the benefits of the devaluation will not arrive in time to prevent a devaluation/inflation spiral developing.

There are considerable doubts as to whether the manufacturing sector has the capacity to take advantage of the devaluation. The much hoped for import substitution effect of the devaluation may not eventuate because of the shake-out in manufacturing industry seen over the past decade.

This resulted in large numbers of businessmen simply closing down their operations and converting to importing. It would take some time before these businessmen would decide they should overturn their decision to cease local operation.

Also, interest rates are so high they are working against business borrowing to set up an export activity. Another factor working against exports is our bad industrial reputation, which still stinks. Wheat customers, for instance, will confirm this.

It is curious that the Treasurer, Mr Keating, has decided at this time to embark on a major tax reform exercise that could damage international competitiveness and threaten the pick-up in business investment the Government knows is crucial to sustaining the present economic recovery.

The attack on fringe benefits and entertainment expenses will drive up business costs, while the capital gains tax will reduce the incentive to set up new businesses or expand existing operations.

The recent Government-ACTU deal on unions taking the likely 3 per cent productivity pay case result in the form of enhanced superannuation benefits will also have a deleterious impact on business costs. The Government appears to be totally unaware of the depth of concern in business about the

looming union scramble for superannuation benefits.

Mr Keating should therefore rethink his tax package. It would be politically impossible for him to withdraw the planned new imposts, but he should quickly move to amend them so as to soften the impact on business costs and investment incentive.

The Government will not withdraw from the superannuation deal with the ACTU, but the Arbitration Commission should heed business warnings and refuse to rubber-stamp this sweetheart deal.

/9317

CSO: 4200/280

AUSTRALIA

DAILY ANALYZES LABOR'S SUCCESSFUL ECONOMIC MANAGEMENT

Sydney THE AUSTRALIAN in English 4 Oct 85 p 9

[Commentary by Paul Kelly in "National Political Comment": "The Real Genius of Labor's Revolution"]

[Text]

THE unique feature of politics today is that the Opposition faces for the first time in two generations a Federal Labor Government that is managing the economy with success.

This has led to a pervasive revolution in political perceptions. The Government's psychological asset is that most of the practical and professional management skills are now manifestly seen to reside in Labor ranks. By contrast it is the Liberal Party which, contrary to its history, appears as a risky alternative.

It is Labor's success which is creating uncertainty in Liberal ranks and in the community as portrayed in recent weeks by party spokesmen John Howard, Ned Brown and Jim Carlton, who have struggled on taxation and wages policy.

This week Mr Howard was challenged by ACTU secretary Bill Kelly and Confederation of Australian Industry chief Bryan Nokes to explain just how his wages policy will improve rather than damage the economy.

The Liberals have been put on notice to prove that their theory of wages deregulation will work in terms of economic outcome. Labor ministers will be trying to locate Mr Howard next to Alice in a new political wonderland.

The role reversal thrown up by the success of the Accord is dramatic. Today it is the political practitioners who are in the Labor Party; it is the political theorists who occupy the Liberal ranks.

In fact, the conflict over wages policy is without precedent in Australian history. It involves a Labor government defending the status quo.

The corporatist system of management through big unions and big business — which has produced startling economic success. It involves a Liberal Opposition propounding a wages theory outside the Australian mainstream, and relying upon the three-way alliance of farmers, miners and small business for support.

The Opposition policy is novel, experimental. Still not defined in detail, it breathes the excitement of a new idea into the marketplace but suffers from the hard-headed criticism of being unreliable, just too risky.

While the Government's corporate structure is criticised for being too rigid at the edges and halting growth in the newly-expanding services sector — fast food, software — its strength lies in its established record of management and economic success.

The most graphic demonstration of this was the publication this week of the so-called Paul Keating and Bill

Kelly tapes. These highlight the transition of the AIT/ACTU Accord from an infant political tool into a more enduring part of the institutional fabric.

The messages in the Keating-Kelly tapes are a new theme in politics and if the Liberal Party is fated to stay in government, these tapes are a challenge to its policies.

The tapes also show that the trade union leadership today

has an economic sophistication broadly held up its history. Certainly the understanding displayed by Mr Kelly and Mr Keating reflects badly on Mr Hawke, even ACTU president when it was demanding better pay and shorter hours.

During the Whitlam years Mr Hawke declared: "We know inflation is at 15 per cent and we believe it's quite likely to reach 20 per cent but we will not indulge in a trade off in wages for some hypothetical reduction in inflation."

Such comments would never be heard from the ACTU today. Its leadership is cerebral rather than charismatic, and adroit rather than aggressive. Mr Keating whose criticism of business and finance these days is worth almost a chapter in the H. supply declares that the ACTU's economic grasp far surpasses that of any of the employers' groups with which he deals.

The second message is that Bill Kelly, the pivot of the Accord, has a union power base whose breadth cannot be matched by any other union leader in decades.

Mr Kelly has a sound working relationship and basis of trust with virtually all sections of the union movement. That means he can deliver. He is not interested in making promises to government by which unions will not stick. The Kelly label is that an ACTU position on tax or wages has meaning only if the Government can be confident it can be complied with. Accordingly, the Accord has lasted two and a-half years and is re-negotiated for another two years. This is because the key union leaders such as Laurie Carmichael, Pat Cloney, Greg Harrison, Tom McDonald and Ivan Hodgson endorse it as well as Bill Kelly and Simon Crean.

The third message is that the union leadership has changed its basic priorities because of the economic history of the last 15 years. Mr Kelly says the new mentality is that "real gains" are what counts. Wage rises which get swallowed up by high inflation and taxation are a phony gain.

Therefore the unions are interested in the total package and total economy. That means trying to achieve high growth with low inflation and negotiating take-home pay through a new tax deal.

The fourth message is that the unions have chosen to rely upon trust and shared objectives with the Hawke Government to realise their aims. But they remain deeply aware of their power as bargaining units in the economy. This is a power they are prepared to use in future just as they have done in the past.

Mr Kelly gives a startling account of just how union power was last used - to organise the excessive wage rises of the early 1980s based on stronger market created by the rearmament boom.

He says that the ACTU planned for this wage rise to go through the entire economy. The unspoken assumption is that the unions will be prepared to use this power again if the situation warrants.

The fifth message is from Mr Keating, who penetrates to the fundamental weakness in the Liberal policy with his diagnosis that it is "strong on objectives and short on process".

This is the real point. Process is what counts today. The Government and Opposition agree on objectives - economic growth, low inflation, more jobs. The political test is to reach these objectives and herein lies the split between them.

The Government's process is now well defined and assuming more permanence: corporate management through the Accord.

The challenge from Mr Keating and Mr Kelly is quite simple. They manage the Accord through a harmony of tactical skill and conceptual agreement. They assert that the Liberal Party has no method and no political strategy to achieve its aims.

Even worse than this, they claim that the Howard wages policy will damage rather than advance the economy.

The Howard-Brown policy is a two-tier technique. The centralised system will continue to work with wage decisions given by tribunals and topped up due to collective bargaining between unions and employers. The second tier will be voluntary wage agreements outside arbitration on a contract basis to allow market forces to set the rate and hence unleash the growth dynamism in the non-unionised and expanding services sector.

Such contracts are a powerful political idea certain to be popular in their own right and offering the potential over many years to bring far-reaching change to our industrial ethos. The union movement will vigorously oppose this approach, perhaps revealing its ugly side in the process and losing support the way it has in the Mudginberri dispute.

The Kelly argument is that this is unacceptable to the union movement because by allowing market forces to work, the assumption is that "wage rates for the lowest paid ought to be lower". The unions will fight any government which uses a market philosophy to lower wage rates in industries whose capacity to pay is weakest.

But in the short to medium term the real significance of the Howard wages policy is the outcome through the centralised system. The classic critique is that wages will be lower under the Accord than under the Howard alternative which allows for collective bargaining in addition to arbitration decisions. The force of the Keating argument will hit home here. Nobody can guarantee a better wages result than the predictability offered by the Accord. The Government will argue that this is where the Liberals are a "plunge into the unknown" and that their belief that wage increases can be guaranteed is an industrial and political fantasy running contrary to our institutional history.

Mr Howard's challenge will be to persuade business and industry that he is right on this point and that Mr Keating is wrong.

The problem that confronted the Liberal Party this week was how to deal with union power. The Howard policy involves giving the unions a freedom in the marketplace which they don't exercise at present because of the discipline imposed by the Accord. It also involves trying to weaken their legislative and economic power to ensure that such freedom does not damage the economy rather than enhance it.

This is why the Howard policy is far more risky to implement during a period of economic growth when company profits are there for the taking rather than a period of recession and high unemployment when the bargaining power of the unions would be weaker.

The Opposition industrial spokesman, Mr Brown, puts a more conciliatory gloss on the Liberal approach than does his leader, Mr Howard, who has been quite frank about the need to attack the "soft end of union power".

Sir Joh Bjelke-Petersen has shown that union backing is popular. But Mr Howard and Mr Brown fear the electoral consequences which a Hawke-Keating team can visit upon them by depicting the alternative government as a involved provocative confrontation.

But Mr Howard is hardly likely to win the cooperation

of the union movement for policies which are specifically designed to reduce its power.

Of course, the Accord, like the economy, is a delicate instrument and since it relies upon a negotiating process between self-interested mortals is precarious by virtue of its processes.

The magnitude of the economic challenge facing the Government and its Accord should not be overlooked - the attempt to maintain high growth and contain inflation and a tightening labour market with a 20 per cent devaluation.

The trouble for Mr Howard is that the longer the Labor Government's management structure works then the more scepticism about his own alternative will deepen.

Herein lies the danger for Liberal politicians. They are preoccupied by the notion of union power. They cannot grasp that union power is now being directed towards different objectives. This is the ge-

mus of the Accord. Perhaps in the week when the sharemarket's All Ordinaries index burst 1000 points for the first time, the gulf between the progress of capitalism's barometer and Opposition warnings about union power became a little too wide.

The final outcome in this debate could be a diabolical irony. If the Hawke-Keating Government continues to manage the economy effectively through the Accord, then it deserves to survive and win the next election. But the grassroots appeal of the Opposition's free market wage policy will be potent both in the bush and among small business and this could carry the day. Yet the actual economic outcome from implementing the Howard wage policy might be more damaging for the national economy and offer less prospect for wage restraint and economic growth than produced through the cooperation of Mr Keating and Mr Kelly.

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AUSTRALIA

GOVERNMENT DILUTES FOREIGN INVESTMENT POLICY

Sydney THE AUSTRALIAN in English 29 Oct 85 p 2

[Article by John Short]

[Text]

THE Prime Minister, Mr Hawke, will tell business leaders today that the Government has decided to dilute its foreign investment policy as part of its attack on business regulations.

But the Government's proposals, contained in the Prime Minister's major address to the Business Council of Australia (BCA), are likely to be interpreted as "window dressing", business and government sources said yesterday.

BCA members are expected to criticise the Government over the introduction of new pricing guidelines for the Prices Surveillance Authority, arguing that the pricing move is inconsistent with the proposed changes to business regulation policy.

Federal Cabinet decided on October 18 to accept a recommendation from the Treasurer, Mr Keating, that the threshold for the application of the Government's foreign investment policy should be lifted.

It is understood that the \$2 million threshold for foreign takeovers will be lifted to \$4 million, while the \$5 million cut-off for the establishment of new businesses will be raised to \$10 million.

In addition, the \$750,000 exemption level for urban real

estate will be altered. This level is applied to cumulative purchases over 12 months but the change would mean that the figure is applied to individual transactions.

Cabinet is understood to have vetoed a proposal to abolish the "Australian opportunity test". This requires parties to a proposed foreign takeover to demonstrate that Australians have been given a reasonable opportunity to acquire the relevant company.

In his speech, Mr Hawke will also say that the Government has decided to relax controls in the export, food production and building industries. The major resources to be affected are iron ore, bauxite, alumina and petroleum products.

But government sources said yesterday that this would not include a relaxation of the existing coal export controls.

These were introduced to prevent Japanese steel manufacturers joining forces to compel individual coal companies to accept low prices, and then using them as a weapon in signing similar deals with other Australian exporters.

Business sources also said that a number of BCA members were worried that the Government's commitment to business deregulation was inconsistent with its recent wages deal with the ACTU.

AUSTRALIA

RATES SOAR, DOLLAR HITS RECORD LOW AGAINST YEN

Sydney THE AUSTRALIAN in English 29 Oct 85 p 14

[Article by David Tomlinson]

[Text] Bond yields moved sharply higher, cash and bill rates edged up on the money market and the dollar fell to a record low against the Japanese yen yesterday as new pessimism hit financial markets.

The rise in rates meant the Government could face substantially higher interest payments on its next bond tender due at the end of November.

On present indications there is virtually nothing to stop yields drifting even higher during the next few weeks.

A weak dollar, rising inflation and high money supply growth mean the Reserve Bank's monetary policy is unlikely to ease, at least for the foreseeable future.

This has meant a fundamental reappraisal of the market.

With short-term rates well above long-term rates there is little incentive to buy long-term bonds when 90-day Treasury notes, for example, are two percentage points higher.

In the short term, when interest rates are expected to fall, long-term investments at lower yields can be justified.

With short-term rates above long-term rates for the past few months and likely to stay that way, interest in buying bonds, even at yesterday's yields, is almost non-existent.

At one stage yesterday, 10-year April 1995 bond jumped 20 points to make a half-percentage jump in a week.

The 10-year stock was trading to yield 13.80 percent at the beginning of this month, but rose to 14.45 percent at its highest point yesterday before closing at 14.38 percent.

This compares with the average 10-year yield of only 13.83 percent at this month's tender.

In the short-term money market, bank bill yields moved higher, with the differential between 90-day and 180-day paper virtually disappearing.

According to market analysts, markets have been hit by several pieces of bad news which have forced the buyers on to the sidelines.

The Australian dollar, although it moved up against the United States dollar yesterday, continued to weaken against most other currencies, particularly the Japanese yen.

The Bank of Japan was in the market buying and selling US dollars to keep the US dollar-yen exchange rates below 214 yen.

In this regard it was successful and the market by the end of the day had given up its attempt to force the US dollar higher.

On Friday in Asia, the greenback was trading at 215 yen, but finished trading yesterday at 213.65 yen after falling against most major currencies on Friday night.

The fall of the greenback was helped by the extra muscle given to Japanese ambitions by the sharp rise in Japanese interest rates last week and a threatened cut in the US discount rate.

This threat seems a little strange in view of the nervousness in the US market that high yields in Japan will mean less Japanese money in US Treasury issues, and consequent higher rates.

The US Treasury has a mammoth fund-raising task ahead of it, and in the past has been dependent on Japanese support to meet its targets.

The rise in the yen has meant the Australian dollar has fallen to a record low against the yen--to 149.29 at one stage.

With the Australian dollar-yen exchange rate continuing to deteriorate on an almost daily basis, dealers report a total absence of interest by the Japanese in the Australian bond market.

According to some reports the Japanese will not look at the Australian market until some stability in the exchange rate is achieved and it falls substantially further.

On the money market bank bill yields edged higher with the 90-day bills and 180-day bills trading at 16.35 percent.

The bill and bond markets also have been hit by a gush of semi-Government loans which are yielding some 60 points more than the comparative bond rate.

It has meant that institutions, reportedly flush with funds, are still shying away from bonds despite their increased attractiveness.

The entire yield curve moved higher yesterday, although its shape has changed, particularly at the short end of the bond market where the July 1989 stock has jumped from 14.11 percent just over a week ago to 14.75 percent yesterday.

In the past the Reserve Bank has been an important buyer of bonds at the short end of the market, but during the past week appears to have adopted a different strategy by moving its buying further out along the yield curve.

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AUSTRALIA

NISSAN AUSTRALIA ANNOUNCES LOSS, JAPANESE CAPITAL INJECTION

Sydney THE AUSTRALIAN in English 29 Oct 85 p 14

[Article by Rowena Stretton]

[Text] Nissan Australia yesterday announced a \$1.35 million loss for the six months ending September and a \$19 million capital injection from its parent company in Japan.

The result marks a big improvement for the troubled vehicle group which lost \$37 million for the full year ending March and now expects to lose approximately \$3 million for the full financial year.

In Melbourne for the Australia-Japan Business Cooperation Committee forum, the chairman of Nissan Motor Co Japan, Mr Takashi Ishihara said yesterday the board in Japan had agreed to increase the paid-up capital of the Australian marketing arm from \$21 million to \$40 million, raising total paid-up capital in both the marketing and the manufacturing operations to \$80 million.

"The increase in invested capital, in addition to the planned profitable operations in the fiscal year will assist in establishing a solid basis the future expansion and development of the company," Mr Ishihara said.

The reduction since March of Nissan's administrative staff and advertising bill, described by Mr Ishihara yesterday as "restructured organisational, financial and marketing arrangements," has lifted the group's efficiency and profitability.

Nissan Australia's investment in facilities and equipment now exceeded \$200 million, he said.

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AUSTRALIA

BRIEFS

HAYDEN WELCOMES UK-IRISH ACCORD--The minister for foreign affairs, Mr Hayden, has welcomed the agreement signed by the British and Irish Governments on the future of Northern Ireland. Under the agreement the Irish Republic will have a say in the affairs of Northern Ireland for the first time since Ireland was partitioned 64 years ago. Mr Hayden has described the agreement as an historic development, demonstrating such goodwill on the part of both governments. He said many Australians have been distressed and concerned about what he called the tragedy of communal division in Northern Ireland. He urged the catholic and protestant communities in Northern Ireland to honor this spirited goodwill and to support the efforts to bring peace, reconciliation, and stability to the province. [Text] [Melbourne Overseas Service in English 0830 GMT 19 Nov 85 BK] /9274

RECORD TRADE WITH PRC--Figures released by the Department of Trade showed that Australian exports of China are heading for another record-breaking year. For the first 3 months of this financial year, trade exports to China totaled \$360 million [Australian dollars], an increase of \$113 million over the same period last year. This does not include income earned from the sale of Australian services to China as opposed to material. The figures showed that on the September quarter's trend, the value of exports to China could rise by up to 50 percent on last year's record of slightly more than \$1,000 million. Meanwhile, China's exports to Australia for the 1st quarter of this year are reported to be up 21 percent on last year's September quarter to \$107 million. [Excerpt] [Melbourne Overseas Service in English 0830 GMT 6 Nov 85 BK2] /9274

FOOD AID FOR PALESTINIANS--Australia is giving flour worth half a million [Australian] dollars to supplementary food programs for Palestinian refugees affected by the recent fighting in Lebanon. The minister for foreign affairs, Mr Hayden, said the 1,000 tonnes of flour was being given in response to an appeal by the United Nations Relief and Work Agency. The grant is provided from aid funds administered by the Australian Development Assistance Bureau. [Text] [Melbourne Overseas Service in English 0830 GMT 12 Nov 85 BK] /9274

AID FOR CAMBODIAN REFUGEES--Australia is to provide \$775,000 in food aid to assist displaced Kampucheans in the Thai-Kampuchean border region. The foreign minister, Mr Hayden, says the Australian contribution will be provided to the UN Border Relief Organization to feed Kampuchean civilians other than Khmer Rouge. The money will come from aid funds administered by the Australian Development Assistance Bureau--ADAB. /Text/ [Melbourne Overseas Service in English 0830 GMT 25 Nov 85 BK/ 12228

PROMOTING EXPORTS TO USSR--Australia is set to significantly expand the range of goods it exports to the Soviet Union. The Trade Department says this is a result of a trade display in Moscow last month--Australia's first trade display in the Soviet Union for 9 years. The department has released the results of its survey showing that the display could have generated sales worth \$86 million. Companies taking part reported actual sales worth almost \$5 million with sales worth more than \$16 million under negotiations and expected additional sales over the next 12 months worth almost \$65 million. A spokesman for the Trade Department says that among the most promising new Australian exports to the Soviet Union were scientific equipment, agricultural machinery and technology, computers, and spectacle frames. Until now, almost all Australian exports to the Soviet Union have been agricultural commodities such as wheat, wool, sugar, and butter, worth about \$900 million a year. /Text/ /Melbourne Overseas Service in English 0630 GMT 26 Nov 85 BK/ 12228

CSO: 4200/310

BRUNEI

LEADERSHIP ROW SPLITS NEW DEMOCRATIC PARTY

BK189615 Kuala Belait THE BORNEO BULLETIN in English 9 Nov 85 pp 1, 1

[Text] The Brunei National Democratic Party [BNDP] was in shreds after a leadership row sparked off a mass walkout, it was claimed this week.

The party officially launched just five weeks ago, was left with fewer than 50 members and the defectors were trying to form a new party, the BULLETIN was told.

Leaders of the BNDP--which has campaigned for political freedom and democracy--were accused by the breakaway group of being themselves "undemocratic."

Party chiefs had refused repeated requests to call a congress to decide the party's future leadership, said Awang Hatta bin Haji Zainal, who quit as BNDP vice-president, and this prompted the resignation.

"The Brunei National Democratic Party has demanded full democracy from His Majesty the Sultan and Yang Di-Pertuan and yet it does not practice democracy within its own organisation," he said.

BNDP, the first political party registered in Brunei for 23 years, was officially launched in Bandar Seri Begawan on 13 September.

The Government issued a statement on the eve of the launch reminding civil servants that they were barred from becoming involved in politics or attending political meetings.

Awang Hatta said that about 150 members had quit BNDP including 12 of the most active committee members. They included Pengiran Anak Hasanuddin, former party chairman.

Awang Hatta charged that BNDP leaders had falsely claimed the party had 2,000 members when, in fact, there were only about 200.

Even before civil servants withdrew in the wake of the government warning, the party had only about 500 members, he said.

Awang Hatta also claimed that press statements made in Malaysia and other countries by BNDP leaders did not reflect the views of other members of the party executive and were made without their approval.

He said the party leaders were given two weeks to call a congress to decide whether they had the members' support. Rejection would have meant new leaders being elected.

He said three of the five branches, Kuala Belait, Berakas and Kilanas and part of the Seria branch, quit the party after the deadline was not met.

BNDP President Hal Latif bin Awang 'Abdul Hamid refused to discuss the party split.

"If they want to form a new party, let them," he said. "I don't want to make any comment to THE BULLETIN."

Awang Hatta said the new party, if its registration were approved, would support government policies and recognise the sultan as head of the government.

Its membership would be open to Brunei citizens of all races, unlike BNDP which restricted membership to Malays.

He added: "We would hope for some kind of democracy but it would be up to His Majesty to decide the type of democracy and when it should be implemented."

The ex-BNDP members were given police approval to hold a meeting to elect a steering committee for the prospective new party, Awang Hatta said.

The meeting was to have been held in a Bandar Seri Begawan hotel on Thursday.

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CSO: 4200/271

BRUNEI

DEFENSE COOPERATION ACCORD WITH AUSTRALIA SIGNED

BK180422 Kuala Belait THE BORNEO BULLETIN in English 9 Nov 85 p 3

[Text] Brunei and Australia signed a defence cooperation agreement in Bandar Seri Begawan on Thursday.

The signing took place in the office of Dato Judin bin Asar, the permanent secretary at the Defence Ministry.

The treaty, a Memorandum of Understanding, is the first between the two countries and provides the formal framework for all aspects of defence co-operation including training, exercises and equipment. It does not cover security matters.

Mr John Starey, the Australian High Commissioner to Brunei who signed for his government, said: "Australia regards this document as an important symbol of its defence cooperation with Brunei."

Annual defence cooperation talks between Brunei and Australia are scheduled to start on 13 November in Brunei.

Canberra is sending two senior Department of Defence officials and a high-ranking army officer.

The progress of an arrangement under which Brunei troops train at the Canungra Land Warfare Center, near Brisbane, Queensland, is expected to be discussed.

More than 100 Brunei soldiers are currently training at Canungra and when they have completed their three-week stint, a second batch of a similar number will be sent.

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CSO: 4200/271

INDONESIA

SECOND MUSLIM CLERGYMAN SENTENCED FOR SUBVERSION

HK181358 Hong Kong AFP in English 1314 GMT 18 Nov 85

[Text] Jakarta, 18 Nov (AFP)--A court jailed a former leading Moslem preacher for 20 years today for subversion and giving seditious sermons that sowed the seeds of fatal riots in Jakarta's Tanjung Priok port in September last year.

North Jakarta court found 50-year-old Salim Qadar, formerly third chairman of the Islamic Preachers Corps (MPI), guilty of having incited crowds against the government in sermons given in Tanjung Priok mosques.

One such sermon was delivered on the eve of the 12 September, 1984 riots, in which 30 persons were reportedly killed.

The accused was the second of five Moslem clergymen facing similar charges to be sentenced.

Yanan Hendrayana, another former MPI member, was sentenced to a 20-year jail term on 27 October.

Prosecutors had demanded life terms for both preachers sentenced so far.

The other three preachers--Abdul Kadir Jaelani, Tony Ardie and Nawardi Nur--are still awaiting sentencing.

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CSO: 4200/268

INDONESIA

BRIEFS

FRENCH ARMS INDUSTRY ACCORD--Indonesia and France have signed an agreement on cooperation in the development of the arms industry. The agreement was signed by Habibie, Indonesian state minister for research and technology, and the director general of arms affairs of the French Defense Ministry in Jakarta on 21 November. Minister Habibie said that the agreement is a follow-up of the bilateral agreement on technology signed in 1975. [Summary] [Jakarta Domestic Service in Indonesian 1500 GMT 21 Nov 85 BK] /9599

TRADE WITH INDIA--Indonesia exported goods worth \$26,523,012 to India in 1984. The country's imports from India amounted to \$58,449,277 during the same period. [Summary] [Jakarta MERDEKA in Indonesian 16 Nov 85 p 1 BK] /9599

OUTGOING SFYR AMBASSADOR--House Speaker Amir Makhmud received Yugoslav Ambassador to Indonesia Miodrag Trajkovic in Jakarta on 19 November. Ambassador Trajkovic will complete his tenure of office in the near future. [Summary] [Jakarta Domestic Service in Indonesian 1500 GMT 19 Nov 85 BK] /9599

EXPANSION OF TELEVISION SERVICE--Speaking to newsmen after signing a document of cooperation agreement with the director general of posts and telecommunications in Jakarta on 9 November, the director general of radio, film, and television, Soebrata, said that Indonesian television transmissions are now covering 27 percent of the whole Indonesian territory with some 101.9 million out of the 160 million population being able to watch television programs. To enable television transmissions to reach larger areas, the government plans to build another 50 relay stations during this fourth 5-year development plan. At present, there are 203 relay/transmitter stations throughout the country. [Summary] [Jakarta KOMPAS in Indonesian 11 Nov 85 BK] /9599

PAPERS VIEW NEW PNG GOVERNMENT--MERDEKA today says that the change of leadership in the PNG Government from Micheal Somare to Pias Wingti poses no obstacle to a more positive understanding in relations between PNG and Indonesia. However, Indonesia wants to see Pias Wingti's efforts toward closer relations between his country and ours. PELITA says in its editorial today that if we observe Wingti's attitude towards the transmigration problems in Irian Jaya so far, we can expect him to have a friendly attitude toward Indonesia. In connection with this matter, PELITA says that there is no difference between Micheal Somare and Wingti. PELITA concludes that whether

or not that is true, all we can do is to wait and see. [Text] [Jakarta Domestic Service in Indonesian 0600 GMT 23 Nov 85] /9599

BORDER CRIME CONTROL PROGRAMS--The Indonesian and Malaysian police have agreed to implement seven [as heard] concrete and effective programs for their interests. The seven [as heard] programs include an exchange of personnel, joint investigation into crimes, joint border surveillance, an exchange of information, joint exercises to be codenamed Aman Malindo, and the holding of working meetings. The agreement was reached at the end of a 3-day working meeting of the Indonesian and Malaysian police in Denpasar, Bali, today. Major General Suaryo, deputy chief for operations of the Republic of Indonesia Police, said in his capacity as Indonesian chief delegate that cooperation between the Indonesian and Malaysian police has been going on well on the basis of common interests, a family spirit, and friendship. The two sides paid attention to the containment and eradication of crimes along their common border at sea and on land. These crimes include drug offenses, counterfeiting, smuggling, illegal immigration, the plundering of sea resources, and other criminal activities of common concern. [Text] [Jakarta Domestic Service in Indonesian 1500 GMT 21 Nov 85] /9599

MALAYSIAN BORDER CRIME CONTROL DISCUSSED--Indonesia and Malaysia are discussing ways and means to control crimes at the border areas of the two countries at a 3-day meeting in Denpasar, Bali, which started yesterday. The chief of the Indonesian state police, Anton Sujarwo, in his welcoming message, stressed the importance of an exchange of communications and information between Indonesia and Malaysia to increase cooperation programs. Narcotic abuse and trafficking, counterfeiting, and other criminal offenses will take major attention following last year's meeting. During the 11th meeting of the Indonesian and Malaysian police in Kuala Lumpur last year, it was agreed that both countries cooperate in controlling crimes at the waters and land area bordering Malaysia and Indonesia. The cooperation has proved to be fruitful since both countries' plan [passage indistinct]. [Text] [Jakarta International Service in English 0300 GMT 20 Nov 85 BK] /9274

CSO: 4200/268

LAOS

VIENTIANE PRAISES LAO-HUNGARIAN COOPERATION

BK170910 Vientiane Domestic Service in Lao 0530 GMT 15 Nov 85

[Feature article: "The Laos-Hungary Relations and Cooperation"]

[Text] The people of Laos and Hungary have maintained relations for a long time. Especially after the Lao people achieved victory in their national-democratic revolutionary struggle and in establishing the LPDR, the relations and cooperations between Laos and Hungary were further consolidated, promoted, and expanded. The visit to the Hungarian People's Republic by a Lao Party and Government delegation, led by Comrade General Secretary Kaysone Phomvihane, in 1976 demonstrated a new phase of growth and development in the friendly relations between the two countries. Through the exchange of delegations at various levels to compare experiences in all fields and through the exchange of goods in the past few years in implementation of the treaty of economic, scientific, and technical cooperation, the fraternal relations and cooperation between the Lao and Hungarian people have been further enhanced profoundly and developed in depth.

Over the past 10 years, the Hungarian People's Republic has rendered assistance to the Lao people in many fields. The assistance comes in the form of both gratuity and loans. The gratuitous assistance plan has been 91-percent implemented, while the implementation of the loan assistance has been 51 percent completed. The plans have been implemented to help accelerate work in public health, including the building of a mother and child care hospital and the equipping of a 70-bed hospital. The Hungarian People's Republic has also helped Laos build bridge No 4 and has stepped up information and cultural cooperation with Laos. In the agricultural field, it has, among other things, helped build chicken breeding stations.

In addition, the Hungarian People's Republic has helped the Lao people build and train technical and scientific cadres by accepting Lao cadres and students for study in Hungary. From 1975 to 1981, a total of 399 Lao students were accepted to study in Hungary, including two cadres conducting advanced, specialized research, 233 students studying at an advanced level, and 136 others studying at an intermediate level.

At present, the cooperation between the two countries has been increasingly broadened, promoted, and developed with each passing day. The Hungarian People's

Republic continues to assist the Lao people in the cause of national defense and construction. Various factories, plants, offices, and organizations as well as agricultural settlements--where Hungarian experts have fulfilled their international obligations--are continuing to march forward. The Hungarian experts have joined with Lao specialists and workers in carrying out all these tasks in a friendly and comradely manner and as if they are brothers. This spirit of closeness and the achievements made in all fields resulting from the mutual assistance and cooperation between Laos and Hungary, which have been developed and strengthened daily on the principles of pure socialist internationalism, have significantly contributed to the Lao people's cause of socialist transformation and construction. They have also helped to further consolidate and [words indistinct] and people of the two countries, Laos and Hungary.

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CSO: 4206/22

LAOS

PAST ASSISTANCE, COOPERATION FROM CUBA REVIEWED

BK170344 Vientiane Domestic Service in Lao 0530 GMT 16 Nov 85

[Feature article: "Cooperation Between the Peoples of Cuba and the LPDR"]

[Text] Under the firm, resolute leadership of the Communist Party of Cuba, the Cuban people have always positively safeguarded the revolutionary gains that they have scored in their struggle. Along with striving to build and develop their country, the Cuban people have also worthily fulfilled their sacred international obligations. In addition to their noble, glorious cause, under the banner of pure proletarian internationalism, the fraternal Cuban people have provided assistance and support for friendly countries in carrying out the cause of national construction.

In particular, the party and government as well as the people of Cuba have rendered assistance in many fields and under different forms of our LPDR. In recent years, Cuba has assisted Laos in building many economic projects, a number of which have been completed while others are still under way. These projects have included the construction of the milk cow breeding station in Dongbang, Vientiane Province. At present, this station is producing fresh milk to serve the people. In addition, Cuba has helped Laos set up a hen breeding center where some 2,000 hens have been raised. It has also sent experts to Laos to help carry out sugarcane plantation work in preparation for the building of a sugar production plant in the future.

In the scientific and technical field, the Republic of Cuba and the LPDR have also maintained good relations. Cuba has effectively assisted Laos in this field. These have clearly proven the Republic of Cuba's friendly relations with the LPDR. Party and government delegations of the Republic of Cuba and of the LPDR have also regularly exchanged visits to exchange experiences with each other. In this regard, Comrade Lionel Soto Prieto, Secretariat member of the Central Committee of the Communist Party of Cuba, said during his visit to Laos to attend the Third LPRP Congress: Our friendship and solidarity originate from the struggle against common enemies. I reiterate a wholehearted support of the people, government, and communist party of Cuba for the cause and glorious achievements scored by you, comrades.

Moreover, over the past 10 years, the party, state, and people of Cuba have also helped Laos train and build a number of specialized cadres. In this field,

176 Lao students at the advanced level and 46 others at the intermediate level have completed or [are] now taking studying courses in the Republic of Cuba. Generally speaking, the sincere assistance and cooperation given by the Cuban people to our Lao people in the past have significantly contributed to the transformation and construction of the socialist economic establishments in our LPDR. As a result, our country has marched forward systematically to score great achievements in each field. Through the mutual assistance and cooperation that have daily been promoted and expanded on the basis of Marxism-Leninism and socialist internationalism, Lao-Cuban relations of friendship have been further strengthened and have become ever firmer and more consistent.

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CS0: 4206/22

LAOS

ACHIEVEMENTS IN EDUCATION WORK IN 10 YEARS CITED

BK131617 Vientiane Domestic Service in Lao 0030 GMT 13 Nov 85

[Feature: "Education Work in Past 10 Years"]

[Summary] "Since the founding of the LPDR, education work has been incessantly consolidated and developed. In the past, our education cadres worked very hard to eliminate completely the colonialist education system left behind by the imperialists and reactionaries and to replace it with a new education system characterized by national, mass, and scientific features."

Our education work has scored achievements in various aspects as follows: With regard to the cultural training and supplementary work, by December 1984, all the provinces throughout the country managed to completely stamp out illiteracy among the people. At present, several localities have already completed cultural training courses at the primary and secondary levels.

As for child-care and kindergarten work, our party and state have set up 106 child-care centers with a capacity of 6,241 infants and 297 kindergartens with the total admission of 16,137 children.

With regard to formal education work, the curriculum of all formal schools has been modified and implemented by all schools throughout the country. In the 1984-85 school year, there were 7,470 primary schools with 494,375 pupils, 495 secondary schools with 69,226 students, and 68 senior high schools with 20,093 students. In the past 10 years, a total number of 315,291 primary school pupils, 112,382 secondary school students, and 22,844 senior high school students have graduated.

The vocational training and higher education work has also been developed to train an unprecedentedly large number of workers, technicians, craftsmen, and scientific cadres to serve the task of national construction. From 1975 to 1984, a total number of 13,740 vocational and university students graduated from their study to work for the country.

At present, there are 67 teacher training schools throughout the country--46 primary level, 18 intermediate level and 3 higher level. In the past 10 years, these schools turned out 11,108 primary-level school teachers, 9,650 intermediate-level school teachers, and 2,308 higher-level school teachers.

According to Deputy Education Minister Phiang Sisoulat, the party and state will continue to launch literacy campaigns among the entire population to allow all target people to complete education at the primary level and to have basic knowledge to earn their living. More formal education schools will be set up in mountainous regions inhabited by ethnic minorities. In addition, professional training courses will be offered in formal education schools at the secondary and senior high school levels. Existing primary, intermediate, and advanced vocational training schools and colleges will be consolidated, and necessary academic disciplines will be developed and offered at these institutions. More qualified teachers will also be trained to meet requirements of the all-round education system. Ideological training will be given to school teachers to allow them to be more fully aware of their professional obligations. Curricula and textbooks will be remodified to suit contemporary needs. The people and mass organizations will be encouraged to contribute to building material foundations for the education work.

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CSO: 4206/22

LAGE

COLUMN EXPLAINS ID CARD REGULATIONS FOR CADRES, CIVILIANS

Vientiane VIENTIANE MAI in Lao 2, 3 Sep 85

[Conversation with the editor: "ID Cards"]

[3 Sep 85 p 2]

[Excerpts] [Question] 1. Do the cadres who have ID cards (issued by the Public Security Service [PSS]) need to have another ID card made along with the people in the base and the village? Previously the local administrative committee told us to have our cards done even though we had the ID cards mentioned above. What confusion do you think these two cards will lead to?

Please answer our question quickly because we are now facing this problem. There is confusion. We have learned that in some areas there is no need to have another card issued if you already have the PSS ID card, while in other areas it is necessary. Why don't the authorities who have gone out to disseminate the issue say the same thing? Can it be that the village administrative cadres do not yet understand the matter in detail?

[Answer] Your question may actually be a personal one and also apply to everyone, which we have already discussed. However, we will answer you in detail, based on the answer of the Vientiane Capital Public Security Service committee, as follows: 1. ID cards are to assure convenience in inspecting, gathering, managing and moving people. The Lao people of at least 15 years of age have the right to be issued their cards.

a. Only the ID cards issued to cadres and the people by the PSS are considered legal.

b. The government ID cards issued to cadres by the PSS have the same authority as the citizen ID cards issued by the PSS.

[3 Sep 85 p 2]

c. Cadres will have their cadre ID cards only; there is no need to have citizen ID cards made again. (This means that the ID cards issued to the cadres by the PSS may be used without having to be issued more cards in their village bases.) ID cards must be made only once and not twice. If you are a cadre and carry the ID card issued by the PSS, do not have another one.

issued in your own villages. If two are made they will duplicate each other and will create problems in management, and will also be a waste of time and money for the cadres.

d. A citizen who becomes a government cadre has the right to have his cadre ID card issued by handing over his citizen ID card to the organization concerned in exchange for his cadre ID card. (Do not have two ID cards repeated. If any village administrative committee does not yet understand, please explain the details to them and do not have them mobilize the cadres who already have their cards issued by the PDS to have cards issued again. This problem occurred in the past because the principle was not firmly understood, and so they mobilized a great deal. This created some problems for the cadres who take care of this task.)

e. Whether a cadre has an ID card issued by the PDS or not, he must give two photos of himself to the official who comes to collect the cards because these two photos will actually be used for family records and the his name for the village record. (This is for needs of facilities. If you are not the head of a family, you do not need to do this.)

f. People and cadres who are at least 15 years old must all have their ID cards done in order to make it convenient for coming and going and for management. (If a cadre has already had his cadre ID card issued by the PDS, he does not have to have his card made again in his village base.)

This is all we would like to discuss. We hope that you understand. If you have further questions, write to us again. Please explain this issue further to those who do not yet understand it. Thank you.

9884/12947

CSO: 4206/14

LAOS

ACHIEVEMENTS IN CONSTRUCTION WORK REVIEWED

BK141518 Vientiane Domestic Service in Lao 0500 GMT 12 Nov 85

[Feature: "Construction Work Has Grown Up and Developed in Past 10 Years"]

[Summary] "In the socialist transformation and construction task in our country, various construction projects have been implemented by many economic services to gradually play a leading role in production enterprises. These construction projects are involved with small- and large-scale repair work at the center. Provinces and municipalities have been built to become larger. At present, the Ministry of Construction has played a significant role to ensure the building of technical and material foundations of our socialist state."

Since its establishment in 1982, the Ministry of Construction has been entrusted with the tasks of managing and construction of many major projects, such as housing projects, production enterprises, bridges, roads, and irrigation facilities.

"Carrying out their responsibilities, cadres, engineers, and workers in this key ministry have efficiently guided and implemented many work programs. In recent years, they have restored and rebuilt a number of essential material and technical foundations. For example, they have built Route 9 to the sea with many big bridges and improved Route 13 for all-weather transportation."

In addition, the ministry has also produced many construction materials, conducted surveys to build rural roads, and continued to build many irrigation projects.

In parallel with carrying out specialized work, the ministry has also trained a total number of 494 high-level engineering cadres and 821 primary-level technicians.

The ministry has also made contracts for building many projects for other ministries, such as the Ngon feed mill, the (Nong Teng) vaccine factory, a modern rice mill, a polytechnic school, a 150-bed hospital, the concrete post factory at Thanaleng, the Keng Kabao landing pier, the satellite relay station, and the Dongchong reservoir. In addition to building and repairing housing projects, the ministry is also charged with repairing and maintaining drainage systems in municipal areas.

/12232

CSO: 4206/22

BRIEFS

VIENTIANE DISTRICT TAX COLLECTION--From the end of 1984 to this September, the cadres and workers of the food company in Hatsaifong District, Vientiane Capital, emulated each other to collect agricultural taxes and to purchase rice from farmers and different agricultural co-ops in their district. In total, 2,987,230 kg, of which 2,383,810 kg were the amount of rice they purchased. This is 94.28 percent when compared with the implementation of the 1984-85 plan. [Excerpt] [Vientiane VIENTIANE MAI in Lao 1 Oct 85 pp 1, 4] 9884/12947

REASONS FOR PRICE HIKES--[Question] Why are transportation fees so high? This is particularly true for bus fees, which I think have increased by a factor of 10. Can anything be done to change this? [Answer] We usually respond to questions concerning changes and new fees for buses, electricity, water, etc. by saying that all these changes are aimed at balancing the economy, expanding production, etc., which objectively need to be improved and changed according to the principles of expansion in both the objective and the subjective aspects. It is the same for everyone in the world. You should review previous issues where this matter was discussed in detail. [Excerpt] [Vientiane VIENTIANE MAI in Lao 2 Oct 85 p 2] 9884/12947

PRIVATE SECTOR PROPAGANDA HELP--The construction of five steel-reinforced concrete propaganda posts to be used for propagandizing the 10-year achievements in the Vientiane Capital area has just been completed with the help of capital and labor from the (Leo Kham) Construction Company, and were officially handed over to the Ministry of Culture on the afternoon of 25 September. The construction of the posts began in early May and was completed in mid-September at a total cost of 446,500 kip. They are one of many projects where private construction companies help in the cost of construction, which demonstrates their patriotism and their love for the new socialism of the Lao people and those who participate in the revolution of our country. Also, it is a campaign to score and announce achievements for the upcoming 10th anniversary of the historic day of the establishment of the LPDR. [Text] [Vientiane VIENTIANE MAI in Lao 27 Sep 85 p 1] 9884/12947

VIENTIANE CAPITAL TAX COLLECTION--From the end of 1984 to September 1985, agricultural co-op members and farmers throughout Vientiane Capital have enthusiastically been selling their surplus rice and have paid agricultural taxes to the government. They have now been able to pay 14,619,747 kg, of which 12,289,217 kg of rice were sold to the government. [Excerpt] [Vientiane VIENTIANE MAI in Lao 28 Sep 85 p 1] 9884/12947

LOUANG NAMTHA RICE PRICES--Since early this year the cadres and workers of the Louang Namtha Provincial Food Company have been able to purchase and exchange over 1,487,000 kip worth of rice from the people of ethnic groups within their own province. They have also purchased and exchanged over 640 tons of rice from the grassroots, milled over 360 tons of rice, loaded over 940 tons of rice into storage and distributed over 1,140 tons of paddy rice. Now the purchase of rice in Louang Namtha is continuing without letup in order to obtain even greater victory. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 28 Sep 85 p A2] 9884/12947

USSR-AIDED PLANT--The construction of the modern reinforced concrete production plant at Km 7 in Savannakhet Province aided by the USSR, which began in mid-1984, is now continuing in order to be completed as planned. The tasks that have been completed are the clearing of the construction site for the plant, the installation of a 630-kilovolt transformer and the transformer in the building for producing concrete, the construction of the office, equipment storage, a reservoir of over 80 cubic meters, the building for producing concrete, etc. Also, the tasks that remain and that are 80 to 90 percent completed are the installation of the piped water system in the plant, the construction of storage for designing equipment, storage for sand and gravel, the building to produce cement blocks, storage for cement, a laboratory, a garage and storage for oil and other things. [Excerpt] [Vientiane KHAOSAN PATHET LAO in Lao 28 Sep 85 p A4] 9884/12947

NAM NGUM ELECTRICITY PRODUCTION--On the afternoon of 30 August a ceremony was held in the Nam Ngum Hydropower Plant Club to summarize the 1985 work outcome in education, sports, and engine inspection. There were over 100 attendees, including the committee members of the Lao State Electrification Enterprise, representatives of the Party and Administrative Committees of Vientiane Province, representatives of various work sections around Vientiane Province, cadres, workers and teachers. At the ceremony Mr Savat, assistant chief of the board of directors of the Nam Ngum Electricity Plant, reported the following achievements over the past 1-year period: inspection and repair of the engines which assure the production of 282 million kilowatt-hours as expected and the successful repair of Engine Nos 1 and 2 prior to the expected plan. [Excerpt] [Vientiane KHAOSAN PATHET LAO in Lao 4 Sep 85 p A7] 9884/12947

CSO: 4206/14

MALAYSIA

AFP PREVIEWS MALAYSIAN PRIME MINISTER'S TRIP TO PRC

HK170248 Hong Kong AFP in English 0249 GMT 17 Nov 85

[By Mervin Nambiar]

[Text] Kuala Lumpur, 17 Nov (AFP)--Prime Minister Mahathir Mohamad visits China next week but is unlikely to break new ground in ties clouded by his distrust of China's long-term policies in Southeast Asia, top officials and diplomats said today.

They said trade issues would dominate talks with Chinese Premier Zhao Ziyang in Dr Mahathir's eight-day visit beginning on Wednesday.

But the Malaysian leader was also expected to raise local worries over Beijing's continuing support of the outlawed Communist Party of Malaya (CPM) and its revived interest in Overseas Chinese who make up a third of Malaysia's population.

"We must be careful in developing our ties with China. No, closer economic links does not necessarily mean closer political ties," a top official said.

He added: "The Chinese habit of responding to one leader means that there is nothing to ensure that a militarist with territorial ambitions cannot take over (after the current leadership)."

China has said that it will not drop "moral support" for the 2,000 CPM members, whom Malaysia officially calls "communist terrorists" waging a limited guerrilla campaign from sanctuaries along the Malaysian-Thai border since 1948.

Beijing argues that the fraternal party-to-party ties it maintains with the predominantly ethnic-Chinese CPM are necessary to prevent the guerrillas from turning to Moscow.

But Malaysian officials say they consider the link a breach of the 1974 communique which late Malaysian Prime Minister Tun Abdul Razak signed with Beijing Premier Chou En-lai.

Diplomats said that Beijing's recent appeal to Overseas Chinese to assist in its modernization had upset sensitivities in Malaysia, which is trying to reduce ethnic divisions within its mostly Malay, Chinese and Indian population.

They said China's move to modernize its armed forces and give added muscle to its navy patrolling contested maritime claims had heightened local anxieties about Beijing's long-term territorial ambitions in the South China Sea.

Some of the areas in question overlap with those claimed by Vietnam, the Philippines, Taiwan, Indonesia, and Malaysia.

Dr Mahathir is expected to seek assurances from Beijing that its policies will not foster dual loyalties among Malaysian Chinese, a pledge Premier Chou is said to have made during Mr Razak's visit.

Malaysian officials said that the ethnic dimension was also likely to figure in the economic sphere. Beijing would be asked to modify its current preference for trading through established ethnic Chinese businessmen, to give Malays and others a share of the 450 million-U.S. dollar bilateral trade.

Malaysia sells mostly rubber and palm oil to China and imports light machinery, foodstuff and other consumer items.

Dr Mahathir is also keen to narrow if not altogether close a 100 million dollar deficit in bilateral trade, officials said.

Observers said that an agreement guaranteeing investments, one of several pacts to be signed during Dr Mahathir's visit, signalled official worries over China's longer-term political and economic outlook, particularly in the post-Deng Xiaoping era.

Dr Mahathir will take with him a 200-member delegation of mostly businessmen for a closer look at investment opportunities in China's new economic zones and coastal cities.

The Malaysians are expected to seek out opportunities that offer quick returns, such as turnkey projects.

Negotiations to sell to China 200,000 tonnes of hot briquetted iron from the recently-commissioned Sabah gas industries plant on Labuan Island, off the east Malaysian State of Sabah will be finalized during Dr Mahathir's visit, officials said.

They said that a local company was also expected to sign an agreement to build a 300 million dollar exhibition center in Beijing.

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CSO: 4200/269

MALAYSIA

RADIO COMMENTS ON EVI OF MAHATHIR'S PRC VISIT

BK190948 Kuala Lumpur International Service in English 0800 GMT 19 Nov 85

[Unattributed commentary]

[Text] Malaysia's Prime Minister Datuk Sri Dr Mahathir Mohamed will be in the People's Republic of China on an official visit from tomorrow to 28 November. This is an important event in relations between the two countries. Malaysia maintains an open line toward external relations with various nations that comprise the international community. Malaysia's foreign policy has always been one of regarding the political ideology practiced by any nation as one that concerns that country only and as a domestic issue. The only exception to that would be where human rights have been flagrantly abused and the human convictions (?disregarded) as a matter of policy. Such is true of Malaysia's attitude to the South African policy of apartheid.

There are a number of issues that need to be sorted out in Malaysia's relations with the People's Republic of China. It is a distinct characteristic of the Malaysian prime minister to engage in face-to-face and heart-to-heart discussions. Dr Mahathir Mohamed's visit to China will provide the ideal opportunity for both nations to engage in those fine exchanges of views and to seek agreement, if possible, on a variety of topics for areas of common concern.

In respect to foreign relations or diplomacy, the Malaysian prime minister's visit is taking place against the backdrop of the summit meeting in Geneva between President Ronald Reagan and Mr Mikhail Gorbachev. The Malaysian head of government will be able to get a first-hand impression of the perception and posture of China's leaders on the issues that engender tension among the superpowers. The Kampuchean crisis is also important. While ASEAN recognizes the tripartite coalition headed by Prince Norodom Sihanouk, China for its part extends support to the Kampuchean guerrillas as a counterweight to the Soviet support for Vietnam. In that area, China's policy, in a manner of speaking, coincides or harmonizes with ASEAN's perception of the power struggle in the Indochina region.

However, there is one area which thus far has proved to be an unnecessary irritant or a stumbling block to better or more cordial ties with China. The

Malaysian prime minister has had occasions to state frankly that China's so-called moral but not material support for the outlawed Communist Party of Malaya is not acceptable. It is regrettable that China's leaders who have shown themselves to be pragmatic in their approach to problems compared to their more conservative predecessors have clung to this blind course in their foreign policy. Malaysia's people retain grim memories of a 12-year war against the Communist Party of Malaya. Having sacrificed so much blood and treasure they cannot be expected to accept complacently this peculiar policy which is not conducive to true cordiality. It is up to the leaders of the People's Republic to reorientate their policy so that the way will be opened for a new chapter in Sino-Malaysian ties.

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CSO: 4200/269

MALAYSIA

MALAYSIA 'CRACKING DOWN' ON JOURNALISTS OVER CONFIDENTIAL INFORMATION

HK200716 Hong Kong AFP in English 0629 GMT 20 Nov 85

[By Mervin Nambiar]

[Text] Kuala Lumpur, 20 Nov (AFP)--Malaysia is cracking down on journalists with access to confidential information under an Official Secrets Act (OSA) closely modeled on British legislation, government critics have said.

The OSA came into force in 1972 and was tightened two years ago to make it an offence to receive and disseminate government information.

The act "discourages journalists from probing sensitive public issues," government critic Dr Chandra Muzaffar said.

Earlier this month, police arrested Sabry Sharif, a reporter with the NEW STRAITS TIMES and charged him with violating the secrets act.

The 27-year-old journalist had written a story in January this year about the Royal Malaysian Air Force's plans to buy airborne warning and system control planes from the United States.

Mr Sabry, who pleaded not guilty to two charges of receiving a confidential Defence Ministry report and using it to write his story, will be tried in February next year.

His arrest followed the conviction last month of James Clad, the Malaysian bureau chief of the FAR EASTERN ECONOMIC REVIEW, on similar charges.

Mr Clad, a former New Zealand diplomat, had written a length article on Sino-Malaysian relations which prosecutors said was based on a secret foreign Ministry document.

Mr Sabry and Mr Clad are the only two journalists prosecuted under the act so far.

Dr Muzaffar, who is president of the social reform movement, Aliran, told a conference of lawyers last week that the OSA had discouraged public servants from expressing their views on state policies and their implementation.

"Since the amendments came into force public servants have become even more reluctant to talk to journalists about government programs," he said.

Mr Nuzaffar said that while the flow of information from the "elites" to the people was better in Malaysia than in neighboring Southeast Asian countries, "The public does not know as much as it should about various aspects of government and society."

Malaysia has a wide range of laws regulating local newspapers, magazines and even foreign publications entering the country.

"Contrary to what many people believe, government officers do not ring up editors to tell them what to do. Of course there are other ways of letting us know that the powers that be are unhappy with our stories," K. Mohanan, associate editor of the English tabloid, THE STAR, said.

Newspapers have to renew a Home Ministry permit annually in addition to taking out a printing licence, legislation that "cumulatively serves to ensure that information can only be disseminated by newspapers and other mass media with the consent of the government," he said.

Lawyers said that the Malaysian OSA, like its British counterpart, drafted and passed on the eve of the First World War to guard against espionage, was all encompassing.

The word "secret" is not defined in the Malaysian act and left solely to the government to decide, Professor M. P. Jain, who specializes in comparative law at the University of Malaya, said.

Mr Jain said that this situation could lead to over classification, adding that "secrecy could be used as an excuse for wholesale cover-up by the government."

While it was necessary to classify some information in the interest of public security "secrecy ought not to be more than what is absolutely necessary" to ensure that people could participate in the democratic process, he said.

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CSO: 4200/269

MALAYSIA

ARMY READY TO FIGHT MODERN WAR, COMMANDER SAYS

Kuala Lumpur UTUSAN MALAYSIA in Malay 12 Sep 85 p 1

[Article by Aziz Ishak: "Although Our Technology Is Unsophisticated, Our Army Is Ready To Fight a Modern War--Ghazali Says"]

[Text] Kuala Lumpur, 11 September--The Malaysian Armed Forces are in a state of readiness to fight a modern war even though their technology is unsophisticated, their commander, Gen Tan Sri Ghazali Mohd. Seth, said today.

"The armed forces have this capability because we have trained its members with the necessary equipment to conduct various types of warfare in line with current developments," he said.

Speaking at a large ceremony celebrating the 52d Armed Forces Day here today, he added, our armed forces are prepared for conventional warfare.

Gen Tan Sri Ghazali said Malaysia was one of the nations that sent many of its officers to observe and study the latest developments in the various types of warfare and technologies used in a number of advanced nations.

Those who have received such training, he said, have passed on what they learned to other members of the armed forces. This demonstrates that the Malaysian Armed Forces [ATM] have not been left behind as far as technological know-how for the newest types of warfare is concerned.

In this connection, he said, the ATM will use various means to further heighten the professionalism of its troops to ensure that they are of the highest caliber.

Gen Tan Sri Ghazali explained that although national security has been ensured, measures continue to be taken against communist terrorists as well as threats from abroad.

"As far as the domestic threat is concerned, for instance, only some 300 terrorists remain in this country. The ATM, nevertheless, will persist in fighting against them.

He said the ATM's successful operations against the communist terrorists as well as the cooperation received from various parties have caused the terror-

ists to seek various means to gain more freedom of movement and obtain support from the people.

In the past 2 years, he said, security troops killed 5 terrorists and came across 3 camps on the Thai border, each of which maintained 60 terrorists.

Gen Tan Sri Ghazali is generally satisfied with the achievements and the morale of the members of the armed forces which creates a feeling of pride. However, a few still create "problems."

He also denied the allegation that the morale of members of the armed forces is declining in view of the increasing number who have been discharged before their term of service ended.

"This is a routine matter, and the ATM will maintain an open-ended policy in this regard," he said.

The commander of the armed forces also explained that the ATM would persist in trying to resolve a number of problems including the involvement of members of the armed forces in drug abuse and other disciplinary matters.

"The reason why we want to make our forces more professional is not only to ensure the progress of the ATM but also to solve various problems," he said.

Gen Tan Sri Ghazali also hoped members of the armed forces would continue to strengthen their morale to conform to the history of our struggle during which the public was prepared to make sacrifices in order to defend the country.

The theme of this year's Armed Forces Day was "Struggle Founded on Sacrifice."

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CSO: 4213/24

MALAYSIA

TWO TIN SMELTING COMPANIES RESUME CASH ADVANCES

HK181104 Hong Kong APT in English 1038 GMT 18 Nov 85

[Text] Kuala Lumpur, 18 Nov (AFP)--Malaysia's two tin smelting companies have resumed cash advances to miners for ore deliveries, a spokesman said today.

He said that the payments started on Friday should help Malaysia's more than 450 mines get over cash flow problems resulting from last month's closure of tin markets in London and here.

Ministers said that they were receiving 30 percent of the International Tin Council's (ITC) 29.15 Malaysian dollars (12.15 U.S.) per kilo floor price as an advance and would be paid the rest after the refined metal is sold by the smelters--Datuk Keramat Smelting Sdn. Bhd. and the Malaysia Smelting Corporation Sdn. Bhd.

The two companies stopped advance payments on 12 November after the ITC complained that the Malaysian Government should not encourage a secondary market in tin while the Kuala Lumpur Tin Market (KLTM) and the London Metals Exchange (LME) had suspended trading, officials said.

But the miners said that the resumption did not breach ITC protocol because the payments were mere "advances." The miners said that the smelters were not buying the ores but only smelting and marketing the metal on their behalf.

The vice-president of the All-Malaya Chinese Mining Association, Hew See Tong, said that the advances would help miners overcome hardships caused by the world tin crisis now in its fourth week.

Miners in the tin-rich Kinta Valley said that up to 100 small gravel pump mines, mostly reworking land already mined by large dredges, may have temporarily stopped operations because they could sell their ores while the KLTM and LME were suspended.

The All-Malaya Chinese Mining Association last week sent a memorandum to the government appealing for subsidies on electricity and diesel to tide them over current problems.

The KLTM and the LME suspended trading in the metal late last month after the ITC ran out of funds to support sagging prices.

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CSO: 4200/269

MALAYSIA

MEASURES TO CURB ILLEGAL IMMIGRATION DESCRIBED

Kuala Lumpur BERITA HARIAN in Malay 13 Sep 85 p 1

[Article by Manja Ismail: "Malaysian Waters To Be Guarded Closely To Curb Illegal Immigration"]

[Text] Serdang, Thursday [12 September]--Datuk Musa Hitam, deputy prime minister, said the mission of the Seventh Task Force has been expanded to curb the illegal entry of immigrants through national waters.

The task force now, he stated, is to function not only to stem the flow of illegal immigrants from Vietnam but also to curb the entry of those coming into Malaysia from other neighboring nations.

This is considered to be a big enough problem to warrant the expansion of the missions of the task force and the People's Volunteer Organization (RELA).

"At a meeting of officials of the Home Affairs Ministry last night, I directed RELA to add to its mission the task of assisting the police in guarding regions definitely known to be points of entry by illegal immigrants," the minister said in commenting on a report that illegal immigrants from Vietnam had made pirate attacks on fishermen on the east coast.

To Be Coordinated

Speaking to newsmen after inaugurating the Defense Development Training Institution here today, Datuk Musa said his direction to RELA to assist the police was intended to ensure that illegal immigrants did not readily land anywhere in this country, including in Sabah and Sarawak.

In this connection, the Home Affairs, Defense, and Agriculture Ministries have coordinated a number of measures to control this problem.

The task force, he said, was created a long time ago to guard against the entry of illegal Vietnamese immigrants to this country.

"What we have done now is to give that unit a larger mission and greater responsibility to make it easier for them to take action in the entire country and to take the necessary steps against all illegal immigrants," he explained.

"Further, we are also working on strengthening legal measures that will enable the authorities to arrest illegal immigrants now residing in this country," he explained.

Nevertheless, Datuk Musa said, the problem we have encountered in this effort is that many persons alleged to be illegal immigrants are not being reported to the police.

The police cannot arrest them without receiving a report on their illegal status. Therefore, anyone who knows of any illegal immigrants must report them to the police immediately so that the police can act.

"Those arrested will be deported to their country of origin; some may also be tried in court. Further, Navy and Police Air Units are directed to guard the national waters and coasts to curb the entry of illegal immigrants," he said.

According to the minister, illegal immigrants come to this country because they think they will find better opportunities here than in their own country.

Nevertheless, Datuk Musa explained, it was not his intention to denigrate neighboring countries but to face reality in this situation, as in the case of the illegal entry of Mexicans into the United States when they face economic problems in their own country.

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620: 4211/24

NEW ZEALAND

LANGE CALLS U.S. OFFICIAL'S REMARKS 'UNHELPFUL'

Hk230930 Hong Kong AFP in English 0922 GMT 23 Nov 85

/Text/ Wellington, 23 Nov (AFP)--Prime Minister David Lange today attacked as "negative" and "unhelpful" a U.S. refusal to discuss New Zealand's planned antinuclear legislation unless the draft law is substantially revised.

Mr Lange issued his statement here today in response to a U.S. State Department official's assertion that Washington was not interested in discussing the law unless major changes had been made after it was outlined recently in the U.S. capital.

New Zealand had proposed earlier that the draft law banning all nuclear weapons from New Zealand be sent to the United States for discussions.

The Antinuclear Law would give binding force to the Labor Government policy which has banned nuclear-capable U.S. warships from New Zealand ports for the past 16 months.

Mr Lange said today that the statement by U.S. Undersecretary for East Asian and Pacific Affairs James Lilley was "no way to treat a longstanding ally," as well as "negative, unhelpful and extremely disappointing."

"The legislation will proceed, and no statements by U.S. officials will change that," he added.

"The New Zealand Government has consistently gone out of its way to explain its position to the United States, and Mr Lilley's statement reverses the consultative process," the prime minister said.

Mr Lange added that the United States had consistently misunderstood New Zealand's position on antinuclear legislation: "We are anti-nuclear weapons, not anti-American or anti-port visits."

New Zealand plans to discuss the draft antinuclear law with the United States, Australia and Britain.

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CSO: 4200/311

NEW ZEALAND

POOR POLLS, RIVALRY IMPERIL OPPOSITION LEADER

Auckland THE NEW ZEALAND HERALD in English 9 Nov 85 p 6

[Article by Tony Verdon: "Poor Poll Results Continue to Dog Mr McLay"]

[Text] Whichever way the Leader of the Opposition, Mr McLay, turned this week he was surrounded by gloomy forecasts about his political future.

Opinion poll results continue not only to show his personal rating in the community as a whole down in the single-figures, but even more unsettling, his ratings among National Party members are also abysmally low.

To compound his problems, both his most difficult caucus member, Sir Robert Muldoon, and his deputy, Mr Bolger, are overshadowing him in the polls.

Add to these woes continuing sniping from critics in the party organisation, and many of the elements required for a leadership "spill" in the next few months are present.

The essential element missing at present is a widespread move within the caucus to displace Mr McLay.

Teamwork Missing

There were also during the week comforting statements of support from various party divisional executives and the Wellington division of the Young Nationals.

But virtually every day this week Mr McLay

found himself defending his poor ratings in the polls by trying to downplay their importance.

And, while he put a brave front on the situation, each time insisting he has the full backing of both the party and the caucus, the unease in both sections of the party was obvious.

Clearly, the parliamentary wing of the party has to start working more effectively as a team behind Mr McLay, and to begin winning political points, or else his days as party leader are numbered.

National MPs do not have the luxury of time to decide whether or not Mr McLay can lead the party and himself out of the present popularity trough.

Many of them seem convinced the Government will go for a snap election towards the end of next year, just after the big tax cuts come into effect, and before the full effects of GST hit consumers.

That means any leadership change will have to be decided on quickly, and in the view of one senior caucus member, "the sooner the better."

Some caucus members believe Mr McLay should be given until February or March to improve the situation, while others have suggested the matter should be resolved one way or the other this year.

Individual 'War'

If Mr McLay holds on to the leadership until March or April then, barring exceptional circumstances, he is set to lead the party through to the next election, whether it is held next year, or at the end of the three-year parliamentary term, in September 1987.

While Mr McLay has continued fighting battles on several fronts — most notably with Sir Robert — his deputy, Mr Bolger, has kept out of the public limelight.

He has managed to keep his political nose clean, refusing throughout the McLay-Muldoon row to be drawn into it.

It is suggested he has had little choice, and that provoking a Bolger-Muldoon clash in public would hardly improve the party's situation.

Instead, Mr Bolger has continued waging his own individual "war" against the party's true political rivals, the Labour Government.

Speculation Fuelled

The possibility of an early takeover has only begun to be seriously discussed in the last few weeks, as Mr McLay has continued to wallow.

Mr Bolger's decision to cut short his planned five-week trip abroad naturally fuelled speculation that a challenge could be on within weeks.

Both Mr McLay and Mr Bolger have, instead, insisted that the deputy leader is returning after only two weeks overseas to attend the party's national executive meeting, to be held in Wellington on November 27.

That meeting will discuss the suspension of outspoken party critics, Dr the Hon Ian Shearer, and Mrs Margaret Quinn.

Alternative Choice

But Sir Robert echoed the thoughts of many observers around Parliament when he commented that he could not understand why Mr McLay had concurred with the decision to cut short the trip.

Clearly, it is in Mr Bolger's best interests to be close to the action if his leader's fortunes continue to slump.

The personable King Country farmer is seen as the only viable alternative to Mr McLay in such circumstances.

He is credited with having a keener political eye for issues likely to capture the public's imagination, an area in which Mr McLay has not shone as party leader.

He has a more relaxed personal style than Mr McLay, something which has led some observers to incorrectly interpret as a lack of energy and effort.

Mr Bolger proved his capacity for work during more than five tough years as Minister of Labour.

While most observers credit Mr McLay with the stronger intellect of the two, they see Mr Bolger as having a broader public appeal.

There is no doubting Mr Bolger's tough approach to politics, nor his eagerness to become embroiled in the rough and tumble of parliamentary debate.

There is also little doubt about Mr Bolger's ambition. While he has pledged total loyalty to his leader, Mr Bolger's past suggests he possesses his share of political ambition to eventually lead the party.

Opinion On Trade

If he does succeed, there could be changes in the emphasis the party places on economic policies in particular.

Mr Bolger could steer the party towards a more cautious approach to "hands off" economic policies than some of his colleagues, such as the Hon John Falloon and the agriculture spokesman, Mr Ian McLean.

In recent speeches Mr Bolger has made it clear he is a supporter of free flows in international trade.

But he also qualified the statement by saying: "I am a realist, and as a realist I know that much of the talk about free trade at home and abroad is for political consumption, not for political action."

If Mr Bolger does eventually take over the party leadership, then an urban-based MP is certain to become his deputy.

The most likely contender is the MP with the most varied ministerial experience, the Hon George Gair. He is liked and trusted within the party organisation, and his more liberal leanings would balance the more conservative approach of Mr Bolger.

Continued Criticism

While there has been speculation that the first-term MP for Remuera, Mr Doug Graham, could streak through the caucus ranks to take the job, it is considered unlikely the caucus would take the risk of electing an inexperienced MP.

If the caucus decides to make a change in the leadership, the party organisation is likely to follow.

Mrs Sue Wood has been president of the party during a particularly difficult period, but continued criticism from some elements both inside and outside the organisation is certain in spite of her efforts to dampen it down this week.

Dignity And Confidence

She appeared to sum up the party's present situation well near the end of her newsletter to members, released this week: "Let's restore the dignity and confidence of our party with what we do best — fighting Labour."

Mr McLay signalled on Thursday his intention to concentrate on the party's key political enemy with news of a "position paper" to be published soon, giving the party's economic policies more focus.

It remains to be seen whether Mr McLay has sufficient time to steer the party back on to its main target.

NEW ZEALAND

SUP, TRADES COUNCIL BACKS WORKERS 'SOCIALISM' SCHOOL

Auckland THE NEW ZEALAND HERALD in English 11 Nov 85 p 1

[Text]

Plans to establish an institute offering courses in socialism to prepare a "fighting fit" working class were unveiled in Auckland yesterday.

The institute, which will be run by a trust known as the Workers' Institute of Scientific Education, is to be built on a site close to Auckland.

It will provide live-in classes on socialist economic, political and ideological theory for up to 20 people at a time.

Those behind the project included the president of the Socialist Unity Party and the Auckland Trades Council, Mr Bill Andersen.

Mr Andersen announced the plan yesterday at a council commemorative service in honour of Frederick George Evans, a miner who was killed during the Waikato miners' strike in 1912.

He also spoke of plans to build a trade union education centre on Waiheke Island.

Principles

"Both will provide an opportunity for our delegates, our activists, to arm themselves with scientific theory so that when they get into conflict they will be able to provide leadership.

"There is a need for a powerful, mass-educated working class movement that knows how and when to fight, when to attack and when to retreat — workers who know the principles of why they are fighting."

Mr Andersen declined to say where the institute would be located and how it would be funded.

"But we do have sufficient funds to start construction of a building now.

Trustees

"It has a number of trustees composed of people interested in working class education. They include some trade unionists."

Mr Andersen said the trust would run the courses. He envisaged that visiting

lecturers would be invited to help.

He also announced the setting up of two trade union essay competitions, to be known as the George Hogarth Prizes.

(Mr Hogarth is the national secretary of the Stationary Engine Drivers' Union and convener of the Frederick George Evans subcommittee.)

The first competition, which has a first prize of \$1000, is open to all Federation of Labour-affiliated

rank and file union members.

The second, with a first prize of \$500, is open to fifth, sixth and seventh form secondary school pupils within the areas covered by the Auckland, Waikato and Kaimai trades councils.

The essay subjects will be based on trade union history and working-class social, political and economic theory.

Mr Andersen said it was hoped to launch the competitions next year.

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CSO: 4200/306

NEW ZEALAND

LANGE REJECTS SELLING JAILED AGENTS FOR FRENCH TRADE

HK251146 Hong Kong AFP in English 1137 GMT 25 Nov 85

/Excerpts/ Wellington, 25 Nov (AFP)--Prime Minister David Lange today said it would be political suicide for him to release two jailed French secret agents before the 1987 parliamentary election in New Zealand.

Mr Lange told a press conference that "the best political weapon that the opposition could have in 1987 would be a photograph of the two agents sunning themselves on a beach in the south of France."

The prime minister made his comments as reports from France suggested that New Zealand might soon deport Maj Alain Mafart and Capt Dominique Prieur, jailed last week for the bombing of the Greenpeace ship Rainbow Warrior.

Mr Lange rejected any possibility of a deal with France giving New Zealand mutton and butter greater access to the European Economic Community (EEC) in return for extradition of the two French Army officers.

"We are not in New Zealand about to sell two prisoners," he said.

"It would be very wrong for any respect we have in the world community to be seen to be doing it."

The prime minister indicated that the two French agents would have to serve out their terms of imprisonment before being deported back to France.

Under New Zealand law they would be eligible for parole after 5 years.

They were sentenced last Friday to 10 years imprisonment for manslaughter and 7 years for willful damage to the Greenpeace ship which was to have sailed on a protest voyage to Mururoa Atoll, the French nuclear testing site in the South Pacific. The two sentences were to run concurrently.

The two agents have 10 days in which to appeal following their sentencing last Friday for manslaughter.

Defense Counsel Gerard Currey, who had earlier indicated that they would not appeal, today told reporters that the final decision about the appeal had not yet been taken.

Mr Mafart, 35, today looked calm and collected as he had done in his previous court appearances.

Prieur, 36, smiled wanly as she appeared in the dock looking pale and exhausted behind huge dark sunglasses.

New Zealand newspapers continued to urge the government not to make any deal for an early release of the two agents.

The AUCKLAND STAR wrote in an editorial under the headline "We Are Not For Sale" that New Zealanders would be understandably outraged over French demands at the weekend for an early release of their convicted agents.

"French arrogance over the Rainbow Warrior affair seems to know no bounds. Even President Mitterrand, after initially condemning the bombing, now talks of solidarity with the two agents."

The newspaper added: "Talk of trade reprisals if New Zealand does not bow to the wishes of France should be dismissed as no more than empty threats. Such action would only denigrate France's international image, which has already taken a battering from this sordid, bungling affair."

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CSO: 4200/311

NEW ZEALAND

EDITORIAL LAUDS, ENCOURAGES CANADIAN CONNECTIONS

Auckland THE NEW ZEALAND HERALD in English 7 Nov 85 p 6

[Editorial: "Canadian Connections"]

[Text] When young travellers from different nations are thrown together abroad. New Zealanders tend to find a closer affinity with Canadians than they do with their fellow English-speakers from the United States or Australia. The two countries have much in common besides language. They share a similar heritage, parliamentary and legal systems, many national characteristics, Commonwealth membership and the rim of the Pacific Ocean. Most significantly, they share the experience of living in the shadow of a brasher, more vigorous neighbour.

Yet away from such informal gatherings abroad, Canada and its people have not ranked very high on the national consciousness of New Zealand in recent years—except to say, when the distinctive red maple leaf on a hitchhikers' rucksack provides such awareness. That neglect of a natural ally should be rectified somewhat by the revival of direct airlinks between the two countries after a 16-year absence.

In a world in which a handful of major powers can have undue influence on lesser nations, the strategic considerations of foreign closer links with like-minded countries, and particularly with one which there is already considerable rapport, should not be overlooked.

Commercial interests, too, should benefit from the scheduled flights and the cargo capacity they will provide. One trader has described Canada as a "sleeping giant" for New Zealand exporters and importers. It is at present New Zealand's 11th biggest export customer, mostly of meat, dairy products and fruit, and eighth biggest import supplier, mostly of chemicals, newsprint and manufactured goods.

The balance of trade, this year in Canada's favour, has increased potential to swing New Zealand's way with the enhanced opportunities for the export of perishable goods and the expected increase in Canadian tourist traffic. For their part, the Canadians, who have opened a trade office in Auckland in anticipation, see the air links as stimulating trade in such transportable products as computer electronics.

New Zealand could also benefit indirectly from the special trading agreement Canada is attempting to obtain with the United States along similar lines to the Closer Economic Relations agreement between Australia and New Zealand. The Canadian Minister of International Trade has suggested that New Zealand, which has had a preferential tariff agreement with Canada since 1981, could through joint venture arrangements, provide a staging post for Canadian goods to Australia while Canada could do the same for New Zealand goods to the United States.

Such prospects suggest that the risks which Air New Zealand, for its part, believes are inherent in establishing the direct link with Canada are well worth taking.

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CSO: 4200/306

NEW ZEALAND

GOVERNMENT ECONOMIC THEORY FAILS TO IMPRESS FARMERS

Auckland THE NEW ZEALAND HERALD in English 8 Nov 85 sec 2, p 27

[Article by Peter Freeth, Agricultural Editor: "Economist Outlines Theory Of Govt Objectives"]

[Text] Farmers, now conducting various forms of protest to draw further attention to their grave economic plight, were given a dose of cold comfort in Hamilton last Friday in the form of economic philosophy.

Mr. Kevin Sampson, an economist of the Treasury which advises the Government, told them in effect that while their industry was going through a very difficult period the policies now being employed by the Government were for farmers' own good in the long run.

Mr Sampson, the Treasury director of land use, returned unscathed to Wellington after impressing some members of an agricultural audience of about 150 as being long on theory but markedly short on specifics about the immediate crisis of high interest rates and the crippling effect of the strong New Zealand dollar.

Time to Work

His outline of Government objectives and the means being adopted to achieve them did little to instill any immediate confidence.

Rather it was regarded by many in the audience as an insight into the thinking of a government department which has come under a good deal of criticism.

Mr Sampson said: "Current economic policies, once they have worked through, should ensure that the extent to which you [farmers] prosper will depend on the decisions you make in the face of signals which are considerably less distorted."

Describing the present mix of Government policies as "mutually reinforcing," he claimed they would be of direct economic benefit to farming.

The result of a lower rate of inflation on a firm foundation would, he said, be a lower rate of increase in farm costs.

This, together with a more efficient economy, would mean the relative movements in farm costs and prices for products were "more likely" to be in farmers' favour than in the past.

Mr Sampson made his comments as a key speaker at a seminar organized by the Waikato branch of the Institute of Agricultural Science to discuss prospects for agriculture over the next five years.

He said he was not there to explain Government policy or to advocate it or defend it. The Government, he explained, frequently made decisions contrary to Treasury recommendations.

Growth Rates

The Treasury was, however, interested in correcting deficiencies in the New Zealand economy.

He said New Zealand's growth rates has been much lower than those of other members of the Organisation for Economic Co-operation and Development.

Its inflation rates, on the other hand, had been much higher and this combination, together with a long-standing balance of payments deficit, had meant the New Zealand economy had not been able to deliver to the people of New Zealand the increases in standard of living seen in other countries.

Economic growth arose from the increase in the number of workers and in their productivity.

For per capita incomes to rise there had to be increased productivity and this must come from using new techniques, new management practices, new equipment and changes of attitude by all people in the production process.

Mr Sampson said the Treasury attributed the lower growth rate in New Zealand productivity over recent decades to the multitude of government intervention in the form of grants, subsidies, discretionary taxes, regulatory controls and, in the extreme form, government ownership of productive enterprises such as electricity.

Main Measures

The Treasury believed there were valid reasons for government economic intervention, but advantages had to be weighed against disadvantages.

It did not believe in a totally free market but generally in markets which were freer than those seen in New Zealand in recent years.

Mr Sampson enumerated the major Government decision of the past year - devaluation, the floating of the exchange rate, the removal of the multitude of restrictions in the financial sector.

The measures, he said, included the beginning of a phased programme of removal of assistance to agriculture and to manufacturers and the beginning of phased removal of protection for the import substitute sector.

Tax and benefit changes were also in the programme but the main tax change - the beginning of the goods and services tax - and the associated personal tax and benefit changes had yet to occur.

Mr Sampson claimed the first benefit of present economic policies to agriculture would be a basically more efficient economy.

He said the removal of impediments would allow producers to recognize the true economic costs of the resources they used and the value of their products.

Cost Increases

Only in the past month it had been brought home forcibly to sheep meat producers the real value of their production.

Over the past four seasons, Mr Sampson said, farmers had received \$1.35 billion more than the market return. The supplementary minimum price system had allowed meat companies to increase their processing costs without considering the effects on farm gate prices.

Any increase in processing costs had been met by the taxpayers or by the Meat Board under its stabilisation arrangements.

The second major advantage of present policies was that a longer term view was being taken, enabling investors to make decisions with a clear idea of the long-term environment.

Mr Sampson said the third advantage was the four basic policy tools - fiscal, monetary, exchange rate and assistance-protection - being used to reinforce each other instead of being used on one target.

The concentration now of mutually reinforcing policies would produce a more consistent environment for investment and would have a direct benefit on farmers' basic economic position.

Distortions

The fourth major advantage, Mr Sampson said, was that as a result of removing the distortions in the economy, resources would flow to where they could be used best.

If agriculture could provide a better return on those resources than it would have a greater quantity of resources at its disposal. It would not, for example, have to compete for labour against industries which could outbid it because they were protected by import licensing or tariffs.

To all of that many farmers in various parts of the country would be likely to retort: "Let's hope it happens but in the meantime you could have fooled me."

/13104

CSO: 4200/306

12 December 1985

NEW ZEALAND

DOUGLAS: NO TAXPAYER BAILOUTS FOR BANKS

Auckland THE NEW ZEALAND HERALD in English 11 Nov 85 p 1

[Text] Taxpayers will not be called on to bail out banks which falter under a new "open-market" banking system announced the Government late last night.

The Reserve Bank will be given additional powers to supervise the new system and to try to head off possible collapses.

The Minister of Finance, Mr Douglas, said the Reserve Bank's prudential supervision would not be a substitute for the fundamental responsibility on every financial institution to conduct its affairs efficiently and prudently or for prudence by investors.

"That responsibility will remain squarely on the shoulders of the shareholders, directors and management of the institutions, where it belongs, and on individual investors to place their money sensibly," said Mr Douglas.

Stability

"Those are not risks which the taxpayer should be taking, either on behalf of the financial institutions or individual investors."

Mr Douglas said prudential supervision by the Reserve Bank was not a Government guarantee to either party.

The concern was for the stability of the system, rather than to offer guarantees to individual institutions or investors against inadequate decision-making.

The Reserve Bank Act will be amended to ensure that the bank receives detailed, regular reports and statistics to monitor the position and performance of the key financial institutions.

Last Resort

The Reserve Bank will also consult as necessary with the senior management of banks and other financial institutions on their financial problems.

Mr Douglas said the Reserve Bank would be given powers of last-resort intervention to use in "selected rare cases where the failure of an institution may seem inevitable."

He said this could include a change of management, putting in a statutory manager, recapitalisation or similar steps designed to prevent other institutions from becoming affected.

But Mr Douglas said the changes would not shift the responsibility for the failure, or losses created by it, on to the Government and the taxpayers.

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CS0: 4200/306

NEW ZEALAND

MAJOR FINANCIERS EXPECTED TO CASH IN ON BANK DECONTROL

Auckland THE NEW ZEALAND HERALD in English 11 Nov 85 p 3

[Text] Many of the major financial institutions are expected to take advantage of the Government decision to sweep away the controls which prevent them from offering full banking services.

Large institutions such as the AMP Society and the range of finance companies such as Marac Finance and NZI Finance are all expected to broaden their services to customers.

More organisations will be able to call themselves banks, and to offer customers cheque accounts, as a result of the new banking policy announced last night by the Minister of Finance, Mr Douglas.

Although keen interest has been shown by the bigger companies in taking advantage of the new free market policy, officials cannot yet estimate how many firms will want to join the four trading banks now licensed to operate in New Zealand.

Standing

At present, a special act of Parliament is required before any company can be incorporated as a bank.

But under the new policy firms will only have to prove to the Reserve Bank that they can satisfy five criteria, including an issued capital of \$30 million and a good standing in the financial community, before they can offer full banking services.

There will be no limit on the number of foreign banks able to operate here, and no limit on the range of banking services they can offer to customers, although foreign-exchange dealings will continue to be restricted to the existing 16 foreign-exchange licence-holders.

The latest moves are consistent with the Government's previous steps to free up the financial sector, which was once one of the most controlled in the world.

Liberal

Since its election last year, the government has floated the dollar, abolished exchange control and removed interest rate controls.

Banking executives now describe the New Zealand financial system as one of the most liberal in the world, with fewer controls than Britain, Europe, the United States or Australia.

Mr Douglas said the latest change recognized the very rapid development in the finance sector, as more and more "non-bank" institutions developed increasingly "bank-like" roles.

"Their development has already blurred the traditional boundary line between banks and other financial institutions.

"To that extent, we are merely recognising what has already happened in New Zealand."

Appropriate

It was no longer appropriate to place artificial limits on what such firms could offer to their customers, and what they could call themselves.

"Secondly, the Government sees no reason new banks should continue to be excluded from the financial system, confining the growth in numbers to 'non-bank' finance companies, merchant banks and so on," said Mr Douglas.

The Government wanted an efficient system and even-hand competition would help to ensure this.

Legislation providing for the changes would be introduced to Parliament before the end of this year, but was not likely to be passed into law until next year.

Mr. Douglas said no authorisations would be granted by the Reserve Bank until the bill was passed into law.

*An issued capital of \$30 million, with at least \$15 million paid up.

*Substantial business in deposit-lending functions.

*A well-spread shareholding, or firm internal controls to protect depositors from undue loan concentration or connected lending.

*Demonstrable banking expertise, plus a willingness and capacity to make a positive contribution to the development of the finance sector.

*Good standing in the financial community.

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CSO: 4200/306

NEW ZEALAND

'SHARP' ECONOMIC DOWNTURN HITS BUSINESS, INDUSTRY

Sydney THE AUSTRALIAN in English 29 Oct 85 p 16

[Article by Dai Dayward in Wellington: "NZ Begins To Feel The Pain Of A Sick Economy"]

[Text]

A SHARP economic downturn has hit New Zealand business and industry.

This has shown up in a widespread drop in consumer sales, falling imports, a slowdown in house building and building, forward orders falling away, near-panic in the farming sector and high interest rates which are crippling many businesses.

The effects will accelerate during the rest of this year.

One large nationally known corporation called its divisional managers together last week and told them that the group had been affected by its worst quarterly results for 10 years, and that they had better take immediate steps to try and even it out.

Economists and even the Finance Minister, Mr Roger Douglas, have been warning of a downturn for some months, but many companies ignored this or did not know how to react to it.

The unexpected factor with which many big corporations and companies have been unable to cope is the continuing high interest rates, ranging in one bank 20% for commercial loans.

Many medium-sized companies did not anticipate - and still do not fully appreciate - the drop in sales caused by high interest rates on stock and on long-term credit which is customers who

are wanting three or four months to pay.

There has been a big drop in consumer sales, particularly consumer durables. This is because of the rising cost of living, the removal of all price controls, the catch-up in prices from the era of the Muldoon government price-freeze and the high cost of hire purchase transactions.

Hire purchase charges now range from 20 per cent to 27 per cent.

These - the soaring interest rates and family mortgage repayments have doubled in the past year - mean wage and salary earners do not have the spending power needed to keep the retail trade buoyant.

They are spending their incomes only on necessities and for many, even these are hard to provide for their families.

The Government has recognised this by providing "family care" benefit packages to boost the total incomes of families, but there are still many people struggling to cope who are outside the family care criteria.

Assistance

This is one reason why trade unions are pushing so hard for - and succeeding in getting - much better wage packages than the Government wants.

The higher wage bills will create even greater problems for industry struggling to hold

costs, especially in the agricultural and export areas.

Farmers and the supporting industries have been set back by a succession of blows.

The list of woes includes falling prices for NZ farm exports on world markets; the loss of the valuable multi-million dollar Iran wool market because of the Iran Iraq war; rising processing costs in meat works; escalating interest charges; the removal of all government farm assistance, subsidies and special payments and the weather.

Exports are at the lowest level for 16 months and although in one sense this will help the Government's overall balance of payments, it also reflects a big downturn in farming and heavy industry.

Iron and steel imports for NZ's heavy industry and building sectors are at their lowest level for more than a year.

The immediate symptoms which in many cases have also become causes aggravating the NZ economic downturn, are:

Falling retail sales, worsening the slowing of business activity; stagnation of farm activity; job-shedding in exporting; agricultural support industries and small businesses; the big drop in imports; declining motor car sales; a drop in export receipts; reduced operations in freight

and transport industries a slowdown in heavy industry and manufacturing, the high cost of credit and heavy mortgages and interest rates.

The Government and Mr Douglas, have stressed their determination not to relax their tight monetary policy or interfere to reverse any of the policies designed to produce a free market business climate.

Mr Douglas and colleagues are keeping their hopes crossed that the country will work its way through the downturn.

Mr Douglas admits he personally expected the downturn to come much earlier. May be if the pain NZ now has to undergo and the worst effects of the economic downturn turn out to be longer and later than Mr Douglas expected it could prove too much for the NZ voter and for Mr Douglas' future as Finance Minister.

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CSO: 4200/306

NEW ZEALAND

BRIEFS

ALLIES TO BE INFORMED ON ANTINUCLEAR LAW--New Zealand's prime minister, Mr Lange, has said that Australia will be informed of the details of his country's proposed antinuclear legislation later this month. AUSTRALIAN ASSOCIATED PRESS says Mr Lange indicated that Australia would be informed at about the same time as senior New Zealand officials paid a visit to Washington on a similar mission. The New Zealand Government had previously given a public undertaking to consult both of its ANZUS defense alliance partners before introducing the legislation. Mr Lange said the draft bill was almost complete and was likely to have its first reading in the New Zealand Parliament in the 2d week in December. Last week, Mr Lange said it was possible that the wording of the legislation might be changed to soothe the United States so long as it did not compromise New Zealand's firm policy of banning nuclear weapons and propulsion from its territory. The 34-year-old ANZUS Treaty has been inoperative since New Zealand refused port access to an American navy destroyer last February because it could not ascertain whether the ship was carrying nuclear weapons. [Text] [Melbourne Overseas Service in English 0430 GMT 11 Nov 85 BK] /9274

CSO: 4200/272

PAPUA NEW GUINEA

MELBOURNE VIEWS WINGTI'S CABINET LINEUP

BK270930 Melbourne Overseas Service in English 0710 GMT 27 Nov 85

/From the "International Report" program moderated by (Andrea McCloughlan)/

/Text/ In Papua New Guinea, the prime minister, Mr Pias Wingti, has announced the new 25-member ministry. The new cabinet is considered by most observers to be a delicate and potentially volatile mix of political and regional forces within Mr. Wingti's five-party coalition government.

Mr Wingti ousted the former government of Mr Michael Somare in a vote of no confidence last week. The new prime minister is a highlander, and Trevor Watson reports from Port Moresby that regional allegiances seemed to be one major concern in his selection of ministers.

/Begin recording/ /Watson/ In the 40 years since the first Australian patrol officer ventured into the highlands the area has become both the nation's breadbasket and most densely populated region, and yet its influence in national affairs had been relatively insignificant until Pias Wingti's elevation to the office of prime minister last week.

In what appears to be an effort to make up for past neglect, and indeed to cement his own power base, Papua New Guinea's new leader has appointed 11 highlanders to the ministry. In doing so, Mr Wingti has resurrected fears of regionalism amongst those people who saw it threaten the very birth of Papua New Guinea 10 years ago. Those people include former prime minister, Michael Somare.

/Somare/ There are examples in other countries where you have the Biafra problem in Nigeria, and if this regionalism is entrenched and strengthened, this is one fear that I have for this country.

/Watson/ But despite the number of highlanders in these ministry, political rather than regional concerns may have been more fundamental to its construction. Mr Wingti must now try and govern with a very loosely knit five-party coalition coupled together in order to defeat Michael Somare.

Paul Torato, for example, is a highlander but his appointment to the Ministry of Lands and Physical Planning reflects more his leadership of the coalition

United Party. The powerful Iambakey Okuk is another highlander but he also leads the National Party and is now minister for primary industry. The leader of the People's Progress Party, Sir Julius Chan, was instrumental in the parliamentary defeat of the Somare Government, and he has been rewarded with the deputy prime ministership and the key Ministry of Finance and Planning.

In fact reigning in government expenditure and encouraging economic growth are top priorities for the new government. Everything else, including foreign affairs, has been deemed secondary. And because each of the coalition partner must be consulted on the government's every move, there have so far been very few detailed policy announcements.

It is clear however that the new government, while being sympathetic towards Australia, wants to reduce Papua New Guinea's reliance on aid from Canberra. In another foreign policy area, I understand that Prime Minister Wingti is concerned that the strain Irian Jayan border crossers have placed on Papua New Guinea's resources, and he would like to see them all returned to the Indonesian province.

The new foreign minister, 35-year-old (Megu Bagy), spent 7 years with the Department of Foreign Affairs but is still an unknown quality, although while a career diplomat, he seemed to have spent time in all of the right places-- Canberra, Jakarta, and Tokyo. Diplomats based in Port Moresby say however that he was still a relatively junior officer when he resigned from foreign affairs, and that fact may cause problems in his future dealings with its current heads.

As a costcutting measure Prime Minister Wingti has announced the 25-member ministry, 3 short of Prime Minister Somare's 28. Amongst the more interesting appointments is that of Stephen Tago to the defense portfolio. (?You see,) up until last week, he held the same position in the Somare Government. During the vote of no confidence, Mr Tago crossed the floor of parliament and stood with the then opposition. As a result continuity, in at least one branch of the administration, has been preserved. /end recording/

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CSO: 4200/313

PHILIPPINES

CARDINAL SIN MAY MEDIATE IN OPPOSITION UNITY EFFORT

HK240620 Hong Kong AFP in English 0601 GMT 24 Nov 85

[By Teodoro Benigno]

[Text] Manila, 24 November (AFP)--Philippine prelate Jaime Cardinal Sin may mediate between the camps of Corazon Aquino and Salvador Laurel to avert an opposition debacle in presidential polls, reliable sources said.

Unless such a mediation succeeds, they added, President Ferdinand Marcos would split the opposition vote and easily win the elections projected for 7 February.

The leaders of the Laurel camp have publicly announced that he will run and not step aside for Mrs Aquino, widow of murdered opposition leader Benigno Aquino, despite earlier indications he would give way to her.

Mr Laurel, 57, is president of the United Democratic Nationalist Organization (UNIDO), the opposition's most potent political party which garnered a third of the seats in last year's parliamentary elections.

Mrs Aquino, 52, announced 2 months ago she would "seriously consider" running if snap elections were held and a grass-roots movement pressing her to do so gathered a million signatures.

A number of surveys have indicated the combined opposition can easily beat Mr Marcos with a single candidate but lose if two or more opposition bets are fielded.

As the feud between the two camps worsened, highly reliable sources told AGENCE FRANCE-PRESSE that Cardinal Sin would be called upon to heal the breach in his capacity as spiritual leader of Asia's only Christian country.

Cardinal Sin, currently in Rome for a "churches-economists conference" on the future of the world economy, is scheduled to return here Friday, 29 November.

What makes any such mediation extremely delicate, analysts said is the thin line between "spiritual counselling" and what the 20-year-old Marcos government could denounce as church meddling in political affairs.

The tough-talking cardinal has long been a critic of President Marcos and his powerful wife Imelda. As early as 1979 he warned that civil war would engulf the country if he did not step down.

The cardinal has always encouraged opposition unity as the only means to topple the Filipino strongman and eventually roll back the mounting communist New People's Army (NPA) rebellion.

Both devout Catholics, Mrs Aquino and Mr Laurel have, however, publicly stood above the prickly exchange between their supporters. Both are understood to welcome Cardinal Sin's projected mediation.

Aquino supporters brand Mr Laurel as "overtly ambitious" and "power-hungry" and "no different from Marcos" while Laurel supporters claim Mrs Aquino is "utterly inexperienced" with "no qualifications" for the job of president.

The projected mediation of Cardinal Sin was revealed to AGENCE FRANCE-PRESSE by sources close to both camps who felt a three-cornered presidential race would "destroy" the opposition.

Political observers said that the formidable Marcos political machine controls the military and the watchdog commission on elections and thus would be extremely difficult to beat especially if the opposition were divided.

Analysts also wondered how U.S. officialdom, widely believed to favor an opposition return to power in the process of "restoring democracy," would eventually position itself vis-a-vis the Laurel-Aquino imbroglio.

The Laurel camp maintains it has solid Washington support. The Aquino camp claims the Cory for president movement, now nearing 1 million signatures, is "spreading into a groundswell" that Washington cannot ignore.

Washington reportedly feels comfortable with Mr Laurel because he "will not rock the boat" and seek the ouster of U.S. military bases here which provide the lynchpin for U.S. strategic superiority in Asia.

Some of Mrs Aquino's support comes from so-called "cause-oriented groups" clamoring for the removal of the bases and savagely critical of the alleged "U.S.-Marcos dictatorship."

Mr Laurel recently came in for a daily shower of brickbats in the Philippine media since his heated altercation with 73-year-old ex-Supreme Court Justice Cecilia Munoz Palma Friday last week.

The altercation, during which Mr Laurel reportedly shouted "dictator" at her in a "livid" tirade prompted Mrs Palma to resign as chairperson of the National Unification Committee (NUC). He eventually apologized.

The NUC was tasked with setting up the mechanism of choosing a single presidential candidate.

/12232

CSO: 4200/298

PHILIPPINES

MNLF DENIES DEFEAT, CLAIMS REVITALIZATION

HK130412 Hong Kong AFP in English 0250 GMT 13 Nov 85

[By Joel Paredes]

[Text] Manila, 13 November (AFP)--Philippine Moslem separatists have dismissed government claims that they are on the verge of defeat, and have said they plan to revive their armed campaign with backing from Islamic nations.

The group has "revitalized" its military forces with Arab support, according to a spokesman for the main faction of the Moro National Liberation Front (MNLF), led by self-exiled Chairman Nur Misuari.

The spokesman, a scholarly-looking man in his mid-40's who identified himself as Mohammad Anw , confirmed in an interview here with AGENCE FRANCE-PRESSE that the MNLF headquarters had been set up in Tripoli, Libya, where he said the chairman "is campaigning for our independence."

The Defense Ministry last week said Mr Misuari, a former political science professor at the state-run University of the Philippines, was ready to surrender and make peace with the government on certain conditions.

The government claim was based on a statement by surrendered MNLF Deputy Secretary General Alawi Mohammad Baas, which was immediately denied by underground MNLF figures here.

The MNLF spokesman cited a resolution recently passed at the influential World Islamic Conference which urged the establishment of MNLF liaison offices in all Moslem countries.

The MNLF will continue to seek foreign funding and arms, he said, but he did not specify which other countries would openly support their cause in [word indistinct] Roman Catholic country of 54 million.

"We believe the Filipino Moslems are part and parcel of the Islamic world," the spokesman added.

But he indicated that the MNLF was postponing any major military offensives until after certain "undesirables" had been removed from the movement, which is based on the southern island of Mindanao where an estimated 4 million Moslems live.

The MNLF is faced with a challenge from two breakaway factions—one under Hashim Salamat and the other led by Dimas Pundato—who have abandoned the MNLF secession bid in favor of Moslem autonomy within the Philippine Republic.

Jockeying for supremacy in the Moslem struggle, Mr Pundato's reformist group and Mr Salamat's fundamentalist Moro Islamic Liberation Front are fighting for an autonomous government in predominantly Moslem areas covered by a 1986 cease-fire pact in Tripoli between the MNLF and the Philippine Government.

Mr Pundato is believed to be currently in a neighbouring Association of South-east Asian Nations country preparing to return to the Philippines, while Mr Salamat is still in the Middle East.

Mr Anwar said the MNLF agreed to autonomy in 1986 because of "pressure from Arab nations" which backed the Tripoli Agreement, but later rejected it as a "farce" due to Manila's alleged failure to carry out its part of the deal.

"Nothing can guarantee the establishment of an Islamic social order short of an independent, free and sovereign Moslem state," the spokesman said.

The Moslem rebellion has apparently lost steam due to MNLF internal bickerings and defections to the government, but conservative estimates put the death toll in the bloody MNLF campaign starting 13 years ago at more than 60,000 civilians, rebels and soldiers.

The Misuari group claims the support of at least 80 percent of the estimated 10,000 strong MNLF armed forces.

Mr Anwar said the MNLF was not really set back by the mass surrenders of Moslem rebels, which have been played up by the Manila press, as "the surrender of these people was also an opportunity for replacement."

He ruled out the possibility of the MNLF's reconciliation with the two break-away factions if they continued to demand autonomy.

Mr Anwar also denied any MNLF links with the banned Communist Party of the Philippines (CPP) and its military wing the New People's Army (NPA), which has become the dominant armed challenge of Manila.

The NPA was quietly expanding its influence during the peak of the Moslem campaign in the mid-1970's and now has an estimated 15,000 armed regulars.

At a press conference in the south in April, the NPA said it wanted to set up an alliance with the Moslem rebels against the Marcos government. They promised in return autonomy for the Moslems under a new regime.

But the MNLF spokesman said they will never forge a "united front" with the CPP-NPA since their movement was "anti-communist" and they'll only forge an agreement with a government that recognized their "self-determination."

Saying the MNLF will never come to terms with the "dying" Marcos regime, and believed that "the Marcos system is rotten and needs overhauling." [paragraph as received]

PHILIPPINES

TRADE MINISTER ON IMF-IMPOSED CEILING ON POLLS SPENDING

Quezon City ANG PAHAYAGANG MALAYA in English 7 Nov 85 pp 1, 3

[Text]

IMF-imposed limitations in the government's expenditures and deficits will prevent overspending in the snap presidential elections slated in January next year, Trade and Industry Minister Roberto V. Ongpin said.

Interviewed in the television program *Viewpoint* Tuesday night, Ongpin said "the economy is operating under a program of the International Monetary Fund prescribing "absolute limits on the deficits the Philippines can have. "Therefore, the ability of the government to spend in elections will be limited," he explained.

The type of spending in the election campaign next year "is a shot in the arm" needed to boost the "very sluggish" economy, he added.

Since the country is at the tailend of another adjustment program, Ongpin said election spending, which means increased money supply, will perk up demand.

Actual expenses for ballots alone have been estimated at P500 million to P600 million, he said.

Ongpin also admitted that the "confidence level" of investors in the economy is "clearly at a low ebb" with investments roughly \$200 million to \$300 million lower than the 1983 level.

He also said:

• There will be a negative GNP growth this year contrary to the positive 1.5 per cent to 2.5 per cent growth projected by the government and a flat GNP predicted by the IMF.

• High inflation rate, the most insidious economic problem solved by the government will go down to a single digit level by year-end.

• The National Development Company is committed to sell acquired assets but will make sure they will get a fair price.

Since NDC financed three acquired assets, Ongpin said it will be "double-minded" if these assets will be sold at prices that are not only cheap but also in exclusive for BOP.

• The prevailing exchange rate is actually reflective of the market situation and is not supported by the government.

The most direct indicator of the exchange rate on a free market basis is the demand in the black market.

• Twenty cases have been filed against dollar selling, but there is no incentive to sell dollars away because the black-market rate and the official rate are the same.

• Imports are increasing at the rate of 1.2 per cent but the 14 per cent decline in exports is the acute "balance-of-payments" problem government has to tackle next.

PHILIPPINES

COLUMNIST ON SUC 'MANIPULATIONS' AGAINST LAUREL

HK220703 Manila PHILIPPINES DAILY EXPRESS in English 21 Dec 80 pp 4, 5

["As We See It" column by L.P. Remaldez: "The Squeeze Is On"]

[Text] The heat is on, and it's not on the street corner, but in a squeeze play in the National Unification Committee. The person in the squeeze is Salvador Laurel.

At a time when he thought that Cory Aquino was utterly out of the way as a common opposition presidential bet fatter still, the lady had consistently maintained that politics while Mr Marcos remained president was definitely anathema to her) Laurel took it upon himself to insure his nomination. To create at least a semblance of a united opposition behind him, he organized the NUC, and so as not to make it too obvious, he yielded the chairmanship to Mr Cecilia Munoz Palma, a "safe" enough person who could be counted on to look after his interests. He thought he had it made; after all, the majority in the council are known pro-Laurel people.

But who would have thought that this venerable lady, whose last years in public service before her election to the lattases were spent in the austere confines of the Supreme Court, had political ideas of her own, and that she could pursue them with a tenacity that would be associated only with one to the political backroom born?

From day one, a pattern began to emerge that Mrs Palma was working for a common opposition candidate, and that this candidate was not Laurel.

If one is to believe a so-called "SUC majority," Mrs Palma maneuvered--some uncharitably might even say "manipulated"--the proceedings of the NUC to make sure that Laurel was not going to be the candidate. On the deadline (extended once) for submission of nominees by the parties involved in the SUC, only the UNIDO [United Nationalist Democratic Organization] had done so, nominating Laurel. But still no announcement from the SUC. On that same day, a draft, albeit informal, for Cory Aquino began.

The final blow came a month ago, when Mrs Palma informed the SUC--to the consternation of the pro-Laurel members who maintain to this day that the move was out-voted--that a petition had been filed with the Commission on Elections seeking accreditation of the SUC as a political party (desiring not probably to be accredited as the dominant opposition party, with its divisions to name poll inspectors).

Then, a known pro-Cory Aquino man was named NEC secretary general. And on the side, several small parties came out for Mrs Aquino, along with the cause-oriented and street parliamentarians, and it is safe to say they will be leaving a say on who the candidate will be.

The new NEC chairman, while avowedly seeking a meeting of the minds, is widely perceived as seeking only agreement on Mrs Aquino as the candidate.

But Laurel still has another card. All his pronouncements of support for Mrs Aquino have been hedged; that is, he will support her if she is chosen on the basis of the process specified previously. At this point, that process is apparently going down the tube, which would justify, in his mind anyway, disregarding the decision of the opposition council, and going it alone. Or, if he really wants to be in that much, to settle for the number two spot.

Which isn't--shouldn't be, anyway--good enough, considering how far he has gone in his campaign to get the official opposition nomination.

The next few days will show how inexorably the pincers are closing in on Laurel, unless Mrs Aquino comes to his rescue by squelching all the moves to draft her. But if the lady decides to run, it would be interesting to find out how he'll get out of this one, and to discern what kind of pressures are being exerted on his ranking supporters to desert him.

/12232

CSO: 4700/298

PHILIPPINES

PARTIS WAKEN REGISTRATION ISSUE IMPERILS NUC

Quezon City ASG PAHAYAGANG MALAYA in English 6 Nov 85 p 9

[Article by Elias O. Baquero: "NUC Imperiled"]

[Text] Cebu City--The viability of the National Unification Committee is imperilled by the failure to resolve the issue on registration of the NUC with the Comelec and the disputed increase of the Unido representation from 2 to 5.

This was a warning contained in a letter sent to NUC chairman Cecilia Munoz Palma by the PDP/Laban, CSDP, the Liberal Party and Panaghiusa.

The letter was signed by Jose Cojuangco Jr. from PDP/Laban, MP Joselito Atienza from the LP, Francisco Tatad from CSDP and John Osmena from Panaghiusa.

The issue on the increase of the Unido representation arose when former Sen. John Osmena checked with the Comelec and discovered that the Unido was not registered as a political party.

Unido originally requested that its representation be increased from 2 to 5 because it claimed to have registered as a political party after their June 10 convention.

"This is misrepresentation at the very least," Osmena said. Furthermore, according to Osmena, the increase cannot be affected without unanimous consent of all signatories to the Feb. 24, 1985 agreement which created the NUC.

Earlier, the NUC decided to refer the matter to summit of party heads. The meetings, however, was unable to resolve the matter as Unido president Salvador Laurel and NP (Laurel wing) president Jose B. Laurel did not attend.

Another critical matter that has to be settled is the registration of NUC as a political [word indistinct] with the Comelec.

This registration is necessary to qualify the NUC as a political petition for accreditation with the Commission on Elections.

NUC chairman Cecelia Munoz Palma had filed a petition for registration with the Comelec.

Subsequently, however, Unido representatives caused the reversal of this action by the NUC.

The effect of this, according to MP Jose Atienza (Liberal-Manila), is that only Unido could petition for accreditation by the Comelec.

The Batasan last week adjourned without settling the provision for accreditation of the dominant opposition party. It is expected to act on this issue when it convenes Nov. 11.

Last week, the Batasan opposition negotiated a language for accreditation which would qualify both the NUC and the Unido for accreditation as DOP.

"The problem," Atienza said, "is that this effort will be meaningless unless the NUC is registered."

Earlier, Minister of Political Affairs Leonardo Perez (KBL) warned the Opposition that unless they could agree on the accreditation language, the Batasan was going to adopt the accreditation provisions used in the 1984 elections.

/8309

CSO: 4200/287

PHILIPPINES

SUC CHAIRMAN: OPPOSITION TO UNITE BEHIND SINGLE CANDIDATE

HK251053 Hong Kong AFP in Fastish 1037 GMT 25 Nov 85

[Text] Manila, 25 November (AFP)--The four frontrunners in the opposition's search for a single presidential candidate have agreed that only one of them will challenge the incumbent, the head of a panel selecting the bet said today.

Francisco Rodrigo, chairman of the National Unification Committee (NUC) which groups the major opposition parties, told reporters that Salvador Laurel, Corason Aquino, Jovito Salonga and Eva Estrada Kalaw had agreed to the plan.

Mr Rodrigo met with the four individually last week.

President Ferdinand Marcos has called for a snap poll on 7 February to seek a fresh mandate after 20 years in power. Mr Marcos, whose current term was to end in mid-1987, has said he needs popular support for his efforts to contain a growing communist insurgency and an economic crisis.

The opposition divided after the election call, raising the possibility that more than one candidate may face the incumbent in February.

Mr Rodrigo said after a closed-door NUC meeting in a suburban Manila clubhouse that the frontrunners also agreed to tell their respective groups to "avoid any intramurals" since their "enemy is still Mr Marcos."

Analysts have said the opposition had a fair chance of winning, but only if it put up a united front against the 68-year-old president.

Mr Rodrigo said the four had not yet agreed exactly how Mr Marcos' challenger would be chosen.

Mr Laurel heads the largest opposition bloc, the United Nationalist Democratic Organization (UNIDO), while Mrs Aquino is the popular widow of the assassinated political rival of Mr Marcos, Benigno Aquino. Mr Salonga and MP Kalaw head rival wings of the Liberal Party.

Mr Laurel and Mrs Aquino are considered the leading contenders, although the latter has not accepted her supporters' requests that she run, saying she would consider the idea only if they deliver their promised 1 million signatures of support for her candidacy.

The Cory Aquino for President Movement (CAPM) today said it had gathered 601,000 signatures so far and expected to hit the million mark soon.

Mr. Rodrigo said the four potential candidates were "well disposed" to an alliance, adding that Mr. Laurel and Mrs. Aquino met over the weekend and decided to "find an area where they can agree" before the election period.

A bill pending in parliament sets the election campaign for 11 December to 2 February.

Earlier today, top monetary officials backed calls for joint presidential and local government elections next year but said the country could still afford separate polls.

712337

CSO: 4270/298

PHILIPPINES

NAMFREL CHAIRMAN WARNS POLLS MAY HURT ECONOMY

Quezon City ANG PAHAYAGANG MALAYA in English 6 Nov 85 pp 1, 6

[Text]

The chairman of the National Citizens Movement for Free Elections (NAMFREL), Jose Concepcion Jr., yesterday warned that the holding of two elections in a span of five months next year would be disastrous to the country's economic adjustment program. Speaking before the Offshore Bankers Operations Managers Association, Concepcion estimated that the Commission on Elections needs a budget of about P300 million to conduct one election, or between P500 million to P600 million for the two elections next year. A snap presidential election is proposed for Jan 17 and the local elections are scheduled for May.

With the two elections, Concepcion said money supply may increase by P5 billion, which was the increase experienced last year immediately after the Batasan election.

"The inflation rate is thus expected to surge again from the

present 10.5 per cent to about 25 per cent," Concepcion said.

As a result, interest rate will be driven up from current levels of 18 per cent to about 30 per cent, he said.

Concepcion said the flooding of the economy with pesos can also lead to the deterioration of the peso-dollar rate from the present P18.75 to about P22-23, or a devaluation of 17-23 per cent.

Another issue raised by Concepcion is the fact that the proposed special election will not involve the election of a vice president. He said that one of the concerns of international institutions about the Philippines is the stability that can be provided with the election of a vice president.

Concepcion reiterated the call of the citizen movement to synchronize the proposed special election with the scheduled local election in May to minimize the impact on the economy and to include both the posts of president and vice president in the special elections.

PHILIPPINES

ACADEMIC DETAILS SHRINKING ECONOMY UNDER MARCOS

Quezon City ANG PAHAYAGANG MALAYA in English 6-7 Nov 85

[6 Nov 85 p 5]

[Speech by Ernesto Tabios, former Commerce Dean of Xavier University, delivered before 18 foreign exposurists from the United States and Canada, in Malaybalay, Bukidnon, 9 Oct 85: "How Poor Are We?--RP Economy Asia's Worst?"]

[Text]

I feel incompetent to talk about a difficult subject which is the Philippine situation as I see it. But then, as a citizen to this beleaguered country, I have my observations, the truth.

How poor are we? In 1946, the economy had to support only 16 million. In 1972 it had to support over 40 million. Today we are no less than 54 million and our economy must be able to support that. In 1946, however, at least our agriculture could function with the least of technology but today with all those advanced technologies our government had introduced without proper terms or, the entire agricultural system ceases to function.

That this nation is despite its status as an underdeveloped nation the following:

1. When President Marcos was elected in 1965 for a six-year term, little did anyone know that 20 years later he would still be in power. Twenty years must be a long time considering that in 1915 [?] I did press attention for the Philippines have been long since then. At that time, the birth rate of our country was only 59.5 million dollars. Today our birth is no less than 26 billion dollars. While our population

have grown twice for the last 20 years our foreign borrowings swelled 43 hundred times.

2. In order to win the 1965 presidential election, however, Marcos solemnly pledged the following: (Source: Philippines Free Press, Nov. 20, 1965)

1. bring down prices and raise incomes
2. no more subsidies or importation of rice
3. reduce staff and expenditure to a minimum
4. punish those who have enriched themselves in office
5. stop smuggling
6. faster land reform
7. order for the police
8. law and order
9. honest officials
10. economy in the government by reducing the national budget to control surplus
11. no corruption
12. rule of law
13. no persecution of political enemies
14. national development

15. honest leadership

Let us take a look on half of his promises in relation to existing conditions today.

1. The promise to bring down prices and raise income.

Never before in our history have the prices of prime commodities gone beyond the reach of the ordinary consumers which means have doubled to the latest inflation.

Accordingly, the purchasing power of the peso today is only 40 percent compared to the peso in 1965.

2. Corrupt and corruption. If there is one issue of national concern that ordinary people are very familiar with, it has to be graft and corruption. The latest exposure is the hidden wealth of President Marcos, for last July and October in the Mercury News on the

	1985	1985
Rate (2.10 a kilo*)	.88 a kilo*	7.26
Commonest 89 a kilo**	.37 a kilo**	5.86
Condensed milk (milk) 14 (w/)	.93	10.19
Fresh eggs, per dozen	2.14	16.87
Pork per kilo	4.97	42.91
Chicken	4.92	51.87
Imported rice, commonest		
100 kg (US \$)	110.00	670.63

United States. Corruption, however, has been with us that long that it's existence becomes normal to the government.

3. Jobs for the jobless. The serious economic crisis of the country affected our labor force.

Restlessness in the labor sector has risen and worsening unemployment and increasingly slack economic situation. A common sight in Manila today is a tent on a sidewalk in front of a business establishment and a streamer bearing a "WILGA" sign which pictures a strike man and woman. For 1984, the country witnessed 282 strikes. And in 1985 the first quarter alone. From Jan. to March, our Labor Ministry recorded 100 strikes. According to the National Census and Statistics Office, the total number of public and under-employed laborers reached 3.6 million in 1984 and this is doubling because this is about 8% of the total labor force of our country.

4. Law and Order. This is for you to know

- or decide:
a) During the so-called Muslim conflict in the seventies, 100,000 were killed and 300,000 houses were burned.
- b) Just two days after President Marcos and Cardinal Sin reconciled, 27 were shot dead, 40 were wounded and thousands were missing in the September 21 rally in Los Angeles, Negros Occidental.
- c) According to Defense Deputy Minister Trinidad Natipal, every hour, at least 3 persons are killed or injured, one raped, and 5 robbed.
- d) In Davao City, violence is recorded as the No. 1 killer. Eight hundred forty four accidents were killed in violent incidents in 1984. For 1985, January to August, the figure is 100. As of this date, the rate is 2.58 for 1985 (Malaya October 5, 1985) upped from 1.25 billion per day in 1983.

5- Economy in the Government. In 1983 the budget was only P2.8 billion. Today the budget recommended is P2.7 billion pesos.

6. Rule of Law.

1. Three lawyers who were detained but ordered released by our supreme court are still in jail.
2. The government spend P517,883,000.00 to support the law-making body called Batasan Pambansa from 1978 to 1984 to pass, deliberate and approve 1,200 acts/resolutions. It simply states that each law or bill cost the citizens 431,569.17. While on the same period, the President have penned no less than 1,915 laws. In as much as President Marcos continues to make laws thru Amendment 6, he arrogated unto himself both executive and legislative powers. President Marcos is our man lawmaker and ruler and that is the rule of his law.

7. HEROIC LEADERSHIP. While there was a writing that the medals of P. Marcos were like, no one can deny that he is well decorated as a world war II veteran. And his exploits is still on record as a soldier but as the commander in chief of the Armed Forces of the Philippines.

- a) He Declared Martial Law in 1972. Instead of ending his constitution of 6 years later, he continues to be the President.
- b) The army is no longer 88,000 soldiers as in 1972 but 300,000 or more today.

	1982	1983	1984
			Jan-Mar
Number of workers laid off	49,557	71,365	29,270

Source: Labor Statistics Service (MNL 1)

[7 Nov 85 p 5]

[Text]

c) Records continue to be broken.

1 From the files of Task Force Detainees of the Philippines (TFDP), there have been 30,000 political detainees during the Martial Law years from September 21, 1972 to January 1981 (PANORAMA 6 October 1985).

2 From 1977 to mid-1981 12,460 were released.

3 1,458 were salvaged, excluding Ft. Paval and Pastor Solomon Lubiano of Davao City (Malaya October 5, 1985). 387 disappeared, excluding SVP Priest Fr. Romano in Cuba.

4 As of May 1985, there are 751 political detainees.

5 In 1982, less than 50,000 persons were affected by human rights in Mindanao.

The nation is so much dependent on foreign loans for development. As stated earlier from \$599 million foreign debt in 1965 to \$26 billion foreign debt today plus service charges of 4 billion dollars and another \$2.5 billion annual interests. Consequently the foreign lenders have to pressure and control our economy. We assure that these debts will be paid on due time, thru the International Monetary Fund and the World Bank. They trust no one except our so-called technicians, who

increase our taxes to pay our loans, de-moralize our laws to allow foreign

(CONCLUSION)

firms to control our economy and national resources. Millions of Filipinos are squatters because foreigners own and control these lands.

Devalue the peso to serve the so-called exports and imports, dollars coming in and going out our banks, and our balance of payments.

Every day, therefore, the Filipino becomes poorer. Today every Filipino owes the world \$9,292 (n) each. This time our forests have been shipped to Japan, other natural resources including agricultural lands are exploited and emptied if not currently owned and controlled by multinationals. We now feel the difficulties to live.

Consequently, Marcos and his exceptional powers become questionable thus, the slogan of "Down with the US-MARCOS dictatorship" is being accepted by businessmen, professionals, and the non-learned. Some find our situation as helpless, so, they go to the hills and seek for social order without understanding whether that is communism. They are convinced, however, that they are fighting for a cause.

While political polarization is accelerating, anti-dictatorship political forces are now consolidating.

The US-Marcos regime becomes isolated. The military are all over the Philippines and crime in different forms, army,

navy, police, intelligence, secret recruits, CHDI and religious fanatics.

Social unrest is evident in all sectors especially the church. Father Conrado Balweg and Father Navarro can be identified in the armed revolution, Bishop Francisco Claver and the likes are in the non-violent movements and Cardinal Sin in the so-called unity or call for reconciliation.

The economy is definitely headed for more trouble although collapse may not occur in the immediate future. Since 1983, foreign allies of the Marcos regime have provided all bridging loans while the government attempted all recovery programs. However, this instead resulted to a Post War ASIAN RECESSION on inflation at an all time high of 50 to 60 percent in 1984. While the economy is shrinking, we did not stop increasing our population by 2.4% in 1984.

Knowing that we are concerned not for ourselves, but for the other peoples in the world, this is the best time to support and understand the struggle for political, economic, and cultural independence in the truest sense of the word. We have movements, foundations, organizations working for political, cultural and economic advancement which in our respective world can support morally, financially but most especially thru prayers.

/8309

CSD: 4200/288

DISCUSSION

CORY'S SIGNATURE CAMPAIGN REACHES GOAL

HK251319 Hong Kong AFP in English 1306 GMT 25 Nov 85

/Excerpts/ Manila, 25 Nov (AFP)--Supporters of Corazon Aquino today said they had reached their target of a million signatures of support for her presidential candidacy as the opposition appeared to have split anew into two alliances.

Members of the Draft Cory Aquino for President Movement (CAPM) jumped and shouted in glee and passed around bottles of cold beer in their sparsely furnished headquarters here after the 1 million mark was passed.

Mrs Aquino was not immediately available for comment, her family said.

The popular widow of Benigno Aquino, the assassinated political rival of President Ferdinand Marcos, had said she would consider running only in a runoff poll and if the CAPM produced its promised million signatures.

She and former Senator Salvador Laurel are the frontrunners in the opposition's search for a single candidate against Mr Marcos in a planned 7 February 1986 presidential and vice presidential election.

During the countdown to the millionth signature, Aquino supporters at another meeting announced that they had decided to form a coalition that will be officially registered so it can take part independently in the election.

The pro-Aquino coalition of seven groups was named Laban Ng Bayan--meaning the fight of the people--after the party under which Benigno Aquino ran and lost in the 1978 general elections while under military detention.

CAPM members shouted "Laban, Laban" after reaching their target.

The coalition includes political parties and social democratic groups, some of which had broken away from the erstwhile sole opposition umbrella, the National Unification Committee (NUC).

The leader of the signature campaign, former publishing magnate Joaquin Bena, told reporters it was "the first time...at least in the Philippines where the candidate has been chosen by the people themselves."

"I am happy that the true feelings of the /word indistinct/ have come out," said the revered 72-year-old opposition figure, whose large newspaper chain was shut down by Mr Marcos when he launched over 8 years of martial law in 1972.

Benigno Aquino's sister Lupita Kashiwahara told reporters during a visit to the CAPM shortly after the million mark was passed at 6:30 pm (1035 GMT) that Mrs Aquino was "encouraged" by the signature campaign.

"The second condition that has to be met is, will this snap election of ours push through?" the U.S.-based television producer said.

Asked if she believed Mrs Aquino should run, she said "we need somebody like her" who will bring "credibility and moral standing" to the presidency.

"If Cory says she runs, we are all right behind her. No question about that. No ifs and buts.... She's keeping her decision to herself, and I think she'll announce it when she's ready to announce," she added.

She said Mr Marcos made his "greatest miscalculation" in calling a snap poll, and that he was now getting "divine retribution" for "all the mistakes of his life since August 21 1983"--the date of the Aquino murder.

The Aquino family holds Mr Marcos responsible for the assassination.

/12228

END: 0200/312

PHILIPPINES

CAPITALISM, MOVES AGAINST CLERGY DEcriED

Quezon City ANG PAHAYAGANG MALAYA in English 4 Nov 85 p 9

[Text] A Catholic priest and president of a religious-run university has criticized capitalism as a "cruel system" because "it grabs the wealth of nations while leaving the masses starving and hungry."

Fr. Pedro Salgado, president of the Aquinas University of Legaspi City, told some 100 church people gathered at the OMI Retreat House in Quezon City for the first national congress of the Promotions of Church People's Rights (Oct. 28-30) that "capitalism favors religion which supports the status quo but persecutes it when it fights for the rights of the masses."

Salgado who was asked to talk on "The Use of Religion by Church-State" also lamented the fact that "leaders of religion, in particular leaders of the Catholic Church, have fallen so often to the blandishments of capitalism."

The Dominican priest and author of *The Philippine Economy: History and Analysis*, said that "today's capitalist exploitation has reached critical proportions manifested in the people's massive and terrifying poverty."

"Yet the Philippine government makes use of a two-pronged counter-strategy: the policy of attraction through dispensation of favors to those who toe the capitalist line and a policy of terror against those who fight for radical social change," he said.

The church, he said, is a target of this countermeasure. Oppositionist church people, he said, are imprisoned, tortured and killed while the state attracts others "to put their lot on the side of the capitalist elite" through rewards, favors and privileges.

Salgado gave his talk after PCPR delegates from Luzon, Visayas and Mindanao had noted on Sept. 27 the escalation of what they called the "intensifying repression, Red scare and black propaganda" against members of the clergy active in human rights and justice-oriented works.

The three-day ecumenical congress on "Witnessing Against Repression and Assistance" also noted moves of the "U.S.-Marcos dictatorship" to polarize or split the Philippine churches and "coopt" church leaders, and the use of fanatic and pseudo-religious groups to harass church people in the provinces.

PCPS, organizers said, is an ecumenical group of church people founded in Metro Manila in 1982 after priests, nuns and lay workers had been arrested or tagged "subversives" for their work among the poor.

St. Aurora Lambiano, PCPR co-chairperson, said the first congress would formalize PCPS as a national organization of church people.

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C80: 4200/289

PHILIPPINES

METHODIST HITS PROPAGANDA AGAINST CATHOLIC CLERGY

Quezon City VERITAS in English 10 Nov 85 p 3

[Letter to the editor by Ma. Lourdes Robles-Perez, secretary general, United Methodist-Social Action Volunteers: "Black Propaganda"]

[Text]

We wrote to confirm the report written by your News Editor, Mr. Redmond S. Batara (Veritas, Oct. 27), pointing to the insidious war of black propaganda being waged against the Catholic clergy in Escalante, Negros Occidental, in clear contravention of the standing order to the contrary, given by Defense Minister Juan Ponce Enrile.

Two of our social action teams, earlier dispatched to Negros Occidental to extend our modest assistance to the victims of the infamous "Escalante Massacre," gathered documented proof revealing what reasonable men can call a well-planned scheme designed to maliciously project to the public the convicted picture of the Roman Catholic Church as a

nest of subversion and the clergy as fomenters of revolutionary disorder. That three witnesses were brave enough to disclose that the plotters and their henchmen are closely identified with Negroes KBI political warlords, is a fact borne out by affidavits we now have in our possession - as is true, with like evidence we hold, attesting to black propaganda placards and similar outdoor signs having been posted in public places in Escalante and two neighboring towns, by relatives of CIDF men, widely known to be under the payroll of the local, political warlords in the area. We also have sworn declarations furnishing proof of various incidents wherein local residents were pressured, directly and indirectly, so as to coerce them to detach themselves from the

provincial BAYAN movement and the clergy, and to keep their mouth shut when newspapermen (local and foreign) should inquire into the September 20 carnage.

MA. LOURDES ROBLES-PEREZ, Secretary General, United Methodist Social Action Volunteers

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CSO: 4200/289

PHILIPPINES

EDITORIAL PROTESTS EXPENSE OF FIRST LADY'S TOUR NISJION

Quezon City VERITAS in English 3 Nov #3 p 4

[Editorial: "Imelda Travels, Balinibala"]

[Text:]

WE SEE by the papers that Mrs Imelda Ronsal-
des Marcos, their woman, there is not unworthy of
goodness more charming and more attractive, has
found another glorious trip. She has actually
conferred the name of Our Lady of Fatima to the sisters
that is the Soviet Union.

We congratulate Mrs. Marcos on her triumph. With
Yakov, this could even result in the eternal separation
in the Paradise. It could even mean more peace. Why
not have another the world - she could even win the Nobel
Peace Prize and join the Bhadrans company of Mother
Jewel?

One writes, though, that she has gone about "the
fulfillment of a tedious obligation" - as President Mar-
cos undoubtedly put it at the airport when he had seen her
off - with her luggage, pomp and ostentation and with
many security.

But she has to bring with her a bunch of sixteen
domestics from the Bureau Panday, and to mention
a servant, a Supreme Court mistress and a guard
of other great officials? Is it a time that every member of
the party was gifted with free air fare and accommoda-
tion, and that each one received 50,000 plus another
1000 for winter clothing - all, presumably, at the expense
of the Filipinos' already overburdened taxpayers -
that the label of her glorious triumph is tarnished?

Was all that expenditure necessary considering that
there are hundreds of children in Negros dying of starva-
tion? Was the marketing of the officials in the party politi-
cal considering that the streets of Cebu and Manila
are full with demonstrators' blood?

One has pause to wonder, indeed, if anything has
changed. The country is in the throes of a terrible respon-
sive crisis and its people are suffering. Yet the official
spending continues at the same prodigious pace. Has
anything changed really? Have any lessons been
learned?

PHILIPPINES

BOOK INCLUDES FIRST LADY AMONG WORLD'S RICHEST

Quezon City ANG PAHAYAGANG MALAYA in English 4 Nov 85 pp 1, 6

[Article: "World's Richest List Names FL; Author Claims She Is Miss Ten Per Cent"]

[Text] First Lady Imelda Romualdez Marcos is among the world's wealthiest women, according to a new book which says "no other female Third World entrepreneur remotely approaches her unique financial success."

She has acquired reputation in the world of international trade of being "Miss Ten Per Cent. . . for her acclaimed ability to siphon off a portion of every major development project in her country", according to the book, the *Richest Women in the World*, authored by Kit Kozliger.

The new book, published by the MacMillan Publishing Company in New York and the Collier MacMillan Publishers in London, puts the 56-year-old former beauty queen in the front rank of the world's richest women that include Europe's top nobility - England's Queen Elizabeth, the Netherlands' Queen Beatrix, Greek shipping tycoon Christina Onassis,

six, former Empress Farah Diba, wife of the Shah of Iran; and the Hunt sisters of food, oil and commodities empire fame.

The book did not give any estimate of Imelda's worth, saying a correct assessment of her riches is very difficult "because of the clandestine nature of her investments."

Most of her wealth have been built through her marriage with President Marcos, the 68-year-old Philippine strongman who is also alleged by news reports to have vast landholdings and properties in the United States acquired through dummy corporations.

Imelda's awareness of her image as "Miss Ten Per Cent" has led her "to lighten her income taxes," the author says.

"When Mrs. Marcos was accused in a stockholders' suit of paying Henry Ford II two million dollars to build a stamping plant in the Philippines she responded, 'Can you imagine I would take Henry Ford? Usually, it's the other way around. They call me 'Miss Ten Per Cent,'" the author said.

Other leading women made it to the world's richest list but were not rated as high as Imelda.

Among them are former US First Lady Jacqueline Kennedy Onassis, whose marriage to Greek shipping tycoon Aristotle Onassis brought her vast fortune; Katharine Graham, Washington Post publisher; Estee Lauder of the perfume and cosmetics company; Beattie John Lennon's widow Yoko Ono, and Dewi Sukarno, the fashionable and attractive wife of former Indonesian strongman Sukarno.

Following is an excerpt from Konolige's book on Mrs. Marcos:

In Center Moriches, a settlement on the southern shore of Long Island sixty miles east of New York City, an old resort hotel called the Lindenmere fell further into desuetude every year, awaiting the renovation efforts of the sort of tycoon who has long since fallen out of fashion in the United States. The Marcoses, however, tilted in admirably. They bought the eight-acre estate in 1980 for a reported \$1 million and then spared no expense to make it over into a private retreat for Imelda, who vacations frequently in the United States and other wealthy countries less offended than her own by conspicuous consumption. The entire upper floor is reserved for the Marcos security staff, a necessity for the controversial couple; housing for the permanent household entourage of twenty is provided on the grounds; the old swimming pool was turned into a reflecting pond, a new one dug, and set off with a gazebo. When the couple arrived for President Marcos's 1982 state visit to the United States, they rented the Presidential Suite in New York's Waldorf Towers for him, the Royal Suite for her, and for their entourage, twenty one-bedroom suites and two bedrooms in the Towers and an additional thirty rooms in the Waldorf Astoria next door. Total cost for lodging: \$109,500 for six nights, not counting food, taxes, or tips for the bellhops who carried their eight hundred pieces of luggage.

Imelda is not retreating about the need for such luxury. "It's a hypocrite who says, 'I don't like pretty things, I don't want to be beautiful,'" she once told an interviewer. "When I travel around the world they know I am Miss Philippines. They say, 'Imelda's our representative, our mama. She cannot dress like a hobo.' . . . The important thing is to go as someone who has made a little success of life. You must serve as a symbol of prosperity." Nor Imelda, to her own mind, a symbol of wealth alone.

During the state visit, she said, "My role is to be 'S and S'—star and slave. To star so the people have some standard to reach for, and to slave so everybody becomes a star. Before you can intervene with information, education, and training programs, you've got to motivate people, and you can only inspire people with what is beautiful. I will continue to be a soldier for beauty."

Miss Ten Per Cent's ambition to make each of her people a star is a perfect echo of another first lady of a developing nation with a Spanish cultural background, the notorious Eva Peron. Like Evita, Imelda cut as a destitute provincial girl who had nothing but beauty (and an unshakable ambition to drive her to glory and riches. Like Evita she seized immediately on her military-hero patron once she found him. It took Imelda only eleven days upon first meeting Ferdinand to marry him. Eva took Peron away from a rival actress at a party and never left his side. But the comparison is odious to Imelda, who was never a prostitute like Evita). Both women managed to parlay their contradictory mystique as a soft-but-strong woman in a man's world into a unique hold on their country's popular imagination. Imelda does not bother with the leftist cant that Evita, surrounded by powerful unions, employed to co-opt populist sentiment, but she, like her predecessor, has dragooned the country's finest enterprises into "donations" for massive public projects and other, vaguer purposes. Both women have conducted lives of headline splendor above the bitter poverty of their countryside, preaching to their adoring believers that all that and more besides would one day be theirs.

Both, meanwhile, enriched at least that part of their society that belonged to their immediate family. One of Imelda's brothers, for example, is generally thought to control the Batan Shipyard & Engineering Company, as well as Manila Bay Enterprises, the gambling monopoly; a second brother, "Kokoy," once ambassador to Peking and later governor of an island, owns the Times Journal newspaper and a number of important industrial enterprises. Imelda's sister, Alita, is married to Rodolfo Martel, whose family owns a majority interest in Manila's swank Century Park Sheraton and the Disk Square Harrison Shopping Plaza, built on city property once intended for a zoo. The First Lady's first cousin and

personal physician, Dr. Inday Escobin, has expanded his business interests from a small cigarette filter company into a holding company that controls \$200 million worth of various enterprises; he has also received millions in commissions for having a nuclear power plant construction contract switched from General Electric to Westinghouse. "Sometimes you have smart relatives who can make it," says the star and slave.

Sometimes it seems that even their deadly enemies are related to the Marcoses. In 1984, for example, another former beauty queen, a woman named Au Au Manotoc, became one of the more celebrated candidates for the Philippine parliament on an anti-Marcos ticket. It was not merely her glamorous background—much like Imelda's, of course—that brought such celebrity upon her, nor just the ferocious personal attacks that Imelda made, nor only her periodic mysterious disappearances, nor even her outfits of black leather pants and see-through tops. Even more intriguing than all of that, Au Au (a cutism for Aurora) was the first wife of Tommy Manotoc, who got a scandalous quickie Dominican Republic divorce from her in 1981 in order to marry Imee, the Marcoses' eldest daughter. Imee Marcos ran for parliament herself in 1984. It ought to be quite a legislature.

PHILIPPINES

EMPLOYMENT INDEX FOR MANUFACTURING DROPS 7.5 PERCENT

Hk260755 Manila BUSINESS DAY in English 25 Nov 85 p 2

/"Economic Indicator" column: "Employment Index Falls 7.5 Percent"/

/Text/ The employment index for key manufacturing enterprises as of September this year stood at 77.7 index points, 7.5 percent lower than the yearago level of 84 index points, according to data based on the monthly survey conducted by the National Economic and Development Authority (NEDA).

Plant shutdowns prompted by the generally unfavorable business conditions caused the employment index to drop.

The index of employment is the ratio between the employment in a particular month of the present year and the employment in the same month during the base year (in this case 1981).

Among the manufacturing subsectors only three managed to increase their employment indices during the month. These were food (from 90.4 index points to 92.2 index points), beverage (from 87.4 index points to 88.8 index points) and textile (from 83.5 index points to 86.5 index points).

The employment indices of the majority of manufacturing subsectors were below the 1981 level of 100 index points. However, two subsectors were able to maintain higher employment indices compared to the 1981 level. These were petroleum products with 105.2 index points and miscellaneous manufactures with 115.8 index points.

Index of Employment of Key Manufacturing Enterprises, by Industry
September 1984-September 1985
(1981 equal 100)

	1984				1985				1985				1985			
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Manufacturing	84.0	84.4	84.3	83.2	84.2	83.0	82.2	77.7	79.3	78.4	78.8	78.7	77.7			
a. food	90.4	92.2	94.5	95.0	97.3	94.6	95.6	91.1	90.4	89.5	93.6	94.7	92.2			
b. beverage	87.4	88.1	87.6	88.0	91.8	89.7	90.2	87.9	88.1	88.1	81.0	86.9	88.8			
c. tobacco	75.5	74.9	74.7	74.6	74.5	73.4	73.3	72.6	72.2	72.0	75.5	73.2	71.7			
d. textile	83.5	84.8	85.1	82.5	85.7	85.4	93.0	70.5	80.7	79.6	82.8	86.0	86.5			
e. wearing apparel	107.5	107.3	107.7	111.0	107.6	103.5	101.2	95.1	95.6	95.2	96.1	96.0	95.6			
f. wood and wood products	95.1	93.5	93.5	92.2	92.7	92.5	91.2	88.5	87.1	84.4	76.4	70.2	58.1			
g. paper and paper products	99.3	95.5	98.1	97.9	94.6	95.6	93.6	92.7	92.4	90.0	90.2	88.9	89.6			
h. chemicals and chemical products	81.9	81.9	82.3	71.6	73.2	72.7	70.5	69.8	69.0	69.4	68.7	68.9	76.5			
i. rubber products	102.5	107.2	101.6	101.2	103.9	102.3	101.5	94.7	101.4	93.5	98.6	94.5	97.0			
j. petroleum products	107.0	108.2	107.5	107.5	107.8	107.8	107.1	108.0	107.6	106.7	105.1	105.3	105.2			
k. nonmetallic mineral products	74.6	73.2	72.4	69.8	68.6	66.5	65.5	64.3	65.1	63.8	64.4	63.7	63.9			
l. basic metals	72.7	72.8	72.4	64.5	62.7	63.9	65.0	63.5	65.1	67.0	69.8	70.0	71.0			
m. transport equipment	32.3	31.9	30.7	30.4	33.7	30.2	30.0	29.4	28.1	27.6	27.8	22.4	18.8			
n. electrical machinery	61.8	61.6	60.9	62.1	59.7	62.2	62.1	58.7	62.1	59.8	60.2	54.9	52.3			
o. miscellaneous	173.3	174.4	175.7	176.7	177.3	176.6	175.2	147.3	147.6	148.3	146.2	118.6	115.8			

Source: Monthly Survey of Key Manufacturing Enterprises
Statistical Coordination Office
National Economic and Development Authority

PHILIPPINES

SOUTHEAST ASIAN FISHERIES GROUP CRITICIZES JAPAN

HK260152 Quezon City ANG PAHAYAGANG MALAYA in English 20 Nov 85

/Article by Benjie Guevara/

/Text/ Tigbauan, Iloilo--Disgruntled officials of the Southeast Asian Fisheries Development Center here have denounced the alleged maneuvers of the Japanese Government to "shrewdly" control this international institute in a bid to maintain a cheap and steady source for Japan's rapidly-increasing fish requirement.

They charged that scientist consultants of the Japan International Cooperation Agency /JICA/ assigned here at the Aquaculture Department--Seafdec's main station in Asia--are tightly controlling Japanese fund donations and equipment grants to ensure the implementation of their favored research projects.

Unlike other foreign agencies which turn over their donations to Seafdec's finance division, sources said these JICA consultants directly channel Japanese funds to their favored endeavors, especially those concerning the production of fish, prawns and shrimps.

The consultants' "deep concern" for such research undertakings is indicative of Japan's interests in the Philippines which exports to that country over P300 million worth yearly of shrimps alone, one irate Seafdec official stressed.

JICA's attempts to consolidate its power base in Seafdec he added, is best seen in their sponsorship of "momboshu" /Ministry of Education/ scholarships which are distinct from the regular staff development programs offered by the institution to deserving employees and scientists.

The source explained that the Japanese Government sends abroad about five researchers yearly for advance training so it can develop /word indistinct/ a cadre of top scientists loyal to Japan instead of Seafdec. "Suspensions are rife that JICA wants such a staff pool to be the future source of the center's top-level management amid the consultants' serious lobbyings for favored officers to hold vital posts or have their appointments renewed for another term.

Documents furnished MALAYA showed that the requisition and purchase of all items through Japanese funds "shall be coursed through the office of the JICA coordinator for recommendation."

Other Seafdec sources pointed out, however, that JICA's efforts to have a firm grip on its funds is only logical in the wake of a damaging 1980 report of the Commission on Audit /COA/ which bared the "gross mismanagement" of Seafdec funds. These sources said a powerful clique of former and incumbent Seafdec officials has been cornering multimillion-peos contracts for infrastructure projects, and the supply of laboratory facilities and equipment.

"The government has in fact decided to put up a permanent COA team here in order to curb the alarming hemorrhage of Seafdec funds," the informants said.

Seafdec Director Alfredo Santiago, Jr declined to comment on the reported maneuvers of these Japanese donors.

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CSO: 4200/312

SINGAPORE

NEW OIL-PROCESSING CONTRACTS WITH PRC MAY BE DELAYED

AK190452 Hong Kong AFP in English 0344 (MT 19 Nov 85)

[Text] Singapore, Nov 19 (AFP)--Singapore oil refiners are facing tough bargaining in negotiations with China over renewed oil processing contracts, the BUSINESS TIMES reported today.

With tough terms confronting them, the paper said, the local refiners were now "re-doing their sums" and there was a possibility that the conclusion of new three-year contracts may be delayed.

The paper said that among other things, the Chinese company Sinochem was seeking more discounts on processing fees, which Singapore refiners were finding it difficult to agree with.

The standard fee for oil refining here in the early 1980's was one U.S. dollar a barrel. This has fallen to 60 to 70 cents, but the Chinese wanted to slash it further to 50 cents a barrel, the BUSINESS TIMES said.

The refiners said that if the Sinochem counter-bargaining succeeded, they would not be able to recover even the refinery's "variable costs" in some cases.

"We might as well not refine at all," the business daily quoted an unidentified refiner as saying. Another area of hard Chinese bargaining is said to be petroleum products yields.

The Chinese would prefer to take back more valuable light products such as naphtha, gas oil and kerosene rather than the poor-priced fuel oil, after refining their crudes--shengli and taqing--as at present.

It had been reported earlier that the new three-year contracts, due to start next year, could be finalized when discussions were held in Beijing last month.

Some of the local refiners are now planning to go to the Chinese capital at the end of this month for further negotiations.

Oil industry observers here express little surprise over the toughening Chinese attitude, as China was emerging more and more as a long-term customer for Singapore's dwindling oil refining industry.

Cooperation in oil refining was one of the areas raised by Prime Minister Lee Kuan Yew during a visit to China in September.

China had undertaken to send at least three million tonnes or 60,000 barrels of oil a day to Singapore for processing. This year's volume is above that, at between 80,000 and 100,000 barrels a day, with indications that it might be slightly more next year.

Singapore, the world's third largest oil refining center with a total capacity of around one million barrels a day, has suffered from a drop in world demand as well as from an increase in refining capacities available in neighboring countries.

The island's five refineries processed an average of 750,000 barrels per day (bpd) in the first half of 1985 but this dropped to 600,000 between January and June this year.

The Dutch-owned Shell is the biggest of five oil refiners operating in the republic. The others are Esso, Mobil, British Petroleum and Singapore Refining Company.

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CSO: 4200/270

SINGAPORE

BRITIS

CZECHOSLOVAK FOREIGN MINISTER'S VISIT CANCELLED--Singapore, 18 Nov (AFP)--
An official visit by Czechoslovakian Foreign Minister Bohuslav Chnoupek to
Singapore has been cancelled, a Foreign Ministry spokesman said today. The
reason for the cancellation was not known. Mr Chnoupek was to have arrived
here last night for a 26-hour visit, during which he was scheduled to meet
with his Singapore counterpart Suppiah Dhanabalan and senior minister in
the prime minister's office Sinnathamby Rajaratnam. [Text] [Hong Kong AFP
in English 0442 GMT 18 Nov 85 HK] /9274

CSO: 4200/270

THAILAND

SITTHI ON 'STEADY YET FLEXIBLE' FOREIGN POLICY

BK24G828 Bangkok Domestic Service in English 0000 GMT 24 Nov 85

["News in Perspective" feature]

[Text] Regional cooperation in the Association of Southeast Asian Nations will assume a very increasing importance. In addition to being a factor of peace and stability, it must serve more as a vehicle for economic development. Foreign Minister Sitthi Sawetsila made the statement at a recent seminar entitled "New Dimensions in Thailand's Foreign Policy," organized jointly by the Institute of Foreign Affairs and the faculty of Political Science of Chulalongkorn University. He said now it is time for a creative policy to make major progress in other fields. Major advances do exist in the development of even more beneficial relations between Thailand and the ASEAN countries. Now it is the time to concentrate on economic areas.

Foreign Minister Sitthi stressed that ASEAN should be working on issues that would move them onto the new plateaus of regional progress and prosperity. That is why Thailand is gearing for a meeting of the heads of government in 1987 to commemorate the 20th anniversary of the founding of ASEAN. By that time new political and economic strategies in our relations with all countries, and most importantly the relations among ourselves, will have been mapped out. He said in all these activities aimed at regional progress and prosperity, Vietnam can, and certainly should, play a role. If Vietnam so wishes, ASEAN would certainly welcome it.

Foreign Minister Sitthi said that for the past 5 years Thailand has been actively engaged itself in an enterprise which would induce the constructive participation of all the major powers in the Southeast Asian affairs. For this, Thailand has succeeded to a considerable extent. China, for example, can be counted upon as a stabilizing factor in Southeast Asia. As for the United States, after a period of retrenchment, it has now reaffirmed in no uncertain terms its commitment to Thailand and to the cause of peace in this region. With regard to the Soviet Union, Foreign Minister Sitthi said there exists rich potential benefit for the two peoples if improvement of relations could be made, especially in the area of economic relations and trade. All in all, Thailand must pursue a steady yet flexible policy towards all the major powers.

For the industrial democracies and the socialist world, Foreign Minister Sittithi said Thailand's partnership with industrial democracies such as Western Europe, Japan, Australia, New Zealand, and Canada will continue to serve as important pillars of Thailand's foreign policy. Thailand needs to forge more equal partnership, both lateral and multilateral, based on a more balanced perception of each other's need. Foreign Minister Sittithi said that Thailand's relationship with the socialist countries is also proceeding satisfactorily. A major feature of Thai foreign policy has always been friendship with all countries irrespective of the social, political, or economic differences.

Other guest speakers during the seminar were former U.S. Secretary of State Henry Kissinger and former Deputy Prime Minister Dr Thanat Khoman.

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CSO: 4200/295

THAILAND

EX-ARMY HEAD SAYS MILITARY LOANS HURTING ECONOMY

BK210155 Bangkok BANGKOK POST in English 21 Nov 85 p 5

[Text] The military should refrain from obtaining loans from abroad to finance arms purchases because it is seriously affecting the country's economic development, said former supreme commander General Saiyut Kietphon yesterday.

He also said that the country's economic and political problems could only be solved by the close cooperation of the military and civil sectors.

In his speech, delivered at the Political Science Faculty of Chulalongkorn University, General Saiyut said that foreign borrowing for the purpose of buying arms would not benefit economic development or improve productivity. Very often these loans carry high interest rates, he said.

He cited the 20,000 million baht borrowing committed by the previous Thanin Kraiwichian Government for a 5-year defence development programme.

Nevertheless, he said, foreign loans provided under the Foreign Military Sale Programme could be secured, provided they were approved by Parliament.

In order to set the demand for defence development, General Saiyut said the ability to afford the loans and the severity of security threats should be taken into consideration.

The new security threat is both external and internal, said the general, adding that an external threat alone will not pose a big danger if internal security is secure.

The external threat, in the form of a large force close to the Thai border, is intended to strike fear among us, he said, adding that the threat of using force and the support given to small guerrilla bands is not aimed at obtaining victory, but to create a crisis in the country.

Effective defence management does not mean the stockpiling of weapons, but a definite objective as to when and where the arms will be used, and against whom.

At a time when weapons systems are becoming more sophisticated and while there is a race among arms dealers to court buyers, the acquisition of new weapons must be carefully screened before a decision is finally made, said the General Saiyut.

The best national defence under the present circumstances, where economic constraints prevail, is total defence where all resources available, be they civil, territorial or strategic, are mobilised, he said.

He then cited the success of the civilian, police and military forces under the civilian-police-military command concept in countering communist insurgency.

With regard to internal administration in military circles, General Saiyut said it was necessary that new management techniques, with emphasis on cost effectiveness and the seeking of cooperation by using strategic advantage, should be adopted.

He said defence administration and national development are inseparable, and soldiers must do their soldiering while civilians must do their jobs.

"But the sharing of profits must be in proportion to the level of importance towards the country," he said, adding: "The social status of military personnel cannot be neglected as in the past.

Stressing the importance of joint planning, he said social, economic and political development would not be possible without cooperation from the military. Citing the F-16 deal, he said the project had not been incorporated into the defence development programme, but was forced upon the government by the military.

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CSO: 4200/295

THAILAND

VOA QUESTIONS SOVIET TRADE OVERTURE TO ASEAN

BK191008 Bangkok Voice of Free Asia in English 1500 GMT 18 Nov 85

[Station commentary: "Trade With the Soviet Union"]

[Text] From the end of October till now, trade with the Soviet Union has become an issue of extensive controversy among the pros and cons. Actually Thailand has had a long and extensive experience of diplomatic and trade relations with the Soviet Union. However, at the present time we can say that trade contacts between the two countries hardly develop any significant progress in both exporting and importing sectors. The discontent of popular views over Soviet massive support for Vietnamese military invasion in Kampuchea which occasionally encroached into Thai territory has slacken down the eagerness of hopeful merchants. Moreover, the intricate nature of the communist Soviet trade system itself hinders any intention of other partners to accelerate their present trading performance.

Considering the present U.S. protectionist mood, namely the Jenkins Bill and the textile embargo, the Soviet Union has timely spurred up its economic activities. Several Soviet delegations have lately visited Thailand and other ASEAN countries, and every mission seems to unreluctantly exert its effort to persuade and attract ASEAN's attention in replacing their supposed loss with the long-awaited Soviet-ASEAN trade. Especially in the case of Thailand, negotiation for the establishment of the Soviet-Thai Friendship Association, the settlement of Soviet-Thai cultural agreement and trade agreement are actively followed by successive Soviet official missions. These timely proposals created a lot of arguments and disagreements among the Thai authorities concerned as well as in the private sectors. In other words, those Soviet missions even created right here difference of opinions among the Thai people and decision makers. Some of those who directly or indirectly suffer from the U.S. protectionism would like to jump into the deal without any hesitation, hoping that their depressed future shall recover with a helping hand of the newly found trade partner.

In Indonesia, for example, the Soviet Union is quite successful by concluding an agreement for the formation of a joint commission on trade and economic cooperation whose duty is to study ways to step up trade and economic relations between the two countries and review progress in carrying out the existing agreements in the trade and economic fields. The Soviet deputy premier mission

has been promoting for similar arrangements in Malaysia. In Thailand, despite a warm welcome from leaders of various sectors, the Soviet delegation has unlikely left empty-handed without any concrete agreement. For Thailand's national [word indistinct], there are two outstanding questions relating to the desirability of establishing trade promotion with the Soviet Union. The first one is of course the benefits derived from the trade, and the second concerns with the political side effects in trading with a superpower.

On the question of trade benefits, one should consider the fact from the ongoing situation. Apparently, the Soviet-Thai trading relations should have been at an advanced stage if only they had jointly enjoyed favorable benefits from the actual trade system. Why should it be the very present time when Thailand and ASEAN are struggling to survive the hardships of world economic recession that the Soviet Union presents its proposal? Does it try to exploit the situation? Or does it want to create a rift of different opinions among the ASEAN countries? The Soviet Union has offered to increase the garment imports from Thailand through the expense of freight revenue or the countertrade system [words indistinct] textile compensation trade transaction whereby Thai firms would hire Soviet ships to export cargoes to third countries. In Malaysia, it proposed exports of industrial goods such as air planes in exchange for Malaysian agricultural products.

In Thailand's case, caution must be observed because of the inconsistent trading systems of the two countries. Similar to dealing with other communist countries, Thai businessmen have to conduct their trade with Soviet bureaucratic departments which monopolize all economic sectors. It requires an active ability to comply with the definite and uncommon rules and regulations of the Soviet side which explains more or less why the volume of the trade between the democratic and communist world has never been so progressive. Therefore, it calls for an uncommon readiness of all those concerned, especially the private sectors, in order to understand basic factors relevant to trade. Such readiness on the part of the private sectors does not mean only the awareness and recognition of trading possibility in the Soviet Union but also the willingness to study and penetrate deeply into the Soviet market. The consciousness of advantages and disadvantages of every aspect must be accounted for as well as a constant readiness to adjust their trade according to the swiftly changing atmosphere of international trade and politics. Otherwise, no one can insure the risk of their failure and losses in the uncertain future.

Some consideration must also be taken into account as to the possible political side effects. Ironically, it is quite an embarrassment to lots of Thai businessmen to foster better trade relations on the one hand with the Soviet Union, while on the other hand unwillingly having to fully endorse support for Vietnamese occupation of Kampuchea which has a great impact on Thai territorial integrity, national stability, and peace in the region.

/12232

CSO: 4200/295

THAILAND

PAPER URGES SOVIET SINCERITY BE TESTED ON GARMENT ISSUE

BK230521 Bangkok THE NATION in English 23 Nov 85 p 4

[Editorial: "Soviet Sincerity Toward Thailand Not Fully Tested"]

[Text] Although Foreign Minister Sitthi Sawetsila made some remarks about the Soviet Union in his address at the foreign policy seminar, they only confirmed the belief that there is nothing clear at all that has been formulated in Thai-Soviet relations during the past few decades. He said that the Soviet Union still has to prove its sincerity in its relations with Thailand but he did not say how this should be done. Did he mean that Moscow will prove her sincerity by stopping military aid to Kampuchea? That, he must know, would be barking up the wrong tree.

But Sitthi played a different tune in possible economic and trade relations with the Soviet Union--"I stand ready to advocate a policy in this direction and other areas." Although we are sure what he meant by "other areas," let us stick to trade only. During the time when the American embargo on the import of Thai garments went into effect and before this matter was defused, the Soviet Union offered to buy garments from Thailand.

At that time we ourselves as well as many responsible people dismissed the offer as Moscow fishing in troubled waters but can anybody be 100 percent sure that was not pouring oil on troubled waters? Sitthi wants the Soviet Union to prove its sincerity but how far did Thailand go about testing Soviet sincerity? Of course, the Soviet Union attached strings like the establishment of a Thai-Soviet Friendship Association and other benefits but our government did not negotiate the matter at all and explore the possibilities of whittling down political overtones and confining the relations to the narrow point of exporting Thai garments.

We do not say that Moscow was showing extreme benevolence in trying to relieve the glut of export-oriented garments in Thailand. But if, as Sitthi wants, the Soviet Union has to prove its sincerity the matter must have been vigorously followed up both by the government and the garment industry and it must be made crystal clear whether the Soviet Union was sincere or insincere. Such a move on the part of Thailand would have cleared the air and lifted the cloud of suspicion that hangs over Thai-Soviet relations.

Just because the United States has consented to lift the embargo on Thai garments does not prevent Thailand from making this a test case of Soviet sincerity. Thailand's garment industry is capable of producing much more than what is being exported at present and it can meet any Soviet requirements. For all we know the Soviet offer still stands with all its political strings. It is for our government and our industrialists to see whether intense negotiations can be conducted to cut the political strings and conduct only trade along guidelines already established. The success or failure of such an attempt will clarify Soviet credentials to sincerity.

Vastly more important subjects affecting the whole of humanity were discussed at Geneva this week between the Soviet and American leaders. And from what President Reagan has been saying subsequently--at a press conference, an address to NATO leaders and in a report to a joint session of the congress--it can be seen that the Soviet Union has displayed a modicum of sincerity. Sure, the issue of the export of Thai garments is miniscule compared to that but it can be used to measure the limits of Soviet sincerity.

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CSO: 4200/295

THAILAND

TIN OFFICIAL VIEWS CRISIS' EFFECT ON EMPLOYMENT

BK220813 Bangkok Domestic Service in English 0000 GMT 22 Nov 85

[Text] The Department of Mineral Resources will form a committee which will make preparations for possible litigation to be brought by foreign tin brokers when the buffer stock of the International Tin Council cannot repay loans. Director Siwawong Changhasiri says the formation is necessary, as suggested by the Juridical Council. This is because the issue involves international affairs. At the same time, Thailand does not have many legal experts in this area.

Representatives of the International Tin Council, or the ITC, and the London Metal Exchange, or the LME, failed to make any progress on Monday on efforts to resolve a cash crisis crippling the world tin industry. Commenting on possible impact on Thailand if the ITC collapses, Mr Siwawong says that tin price is likely to plunge. He says the Finance and Industry Ministries are studying how to alleviate the hardships of miners through cuts in royalties, business and municipal taxes. He says that he has informed the Interior Ministry to be prepared for unemployment in the tin mining industry, which has 30,000 workers and some of whom have to be laid off. He adds that a relief package of this issue will be submitted to the Council of Economic Ministers on Monday.

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CSO: 4200/295

THAILAND

BRIEFS

KRIANGSAK INTERVIEW--Interior Minister Sitthi Chirarot this morning took the Special Branch Division policy to task for allowing a foreign reporter to interview ex-Premier Kriangsak Chamanan detained at the division. General Sitthi said he was not happy to hear a report that an ASIaweek correspondent Paul Anthony had interviewed General Kriangsak in the cell. He said the interview could be made because the authorities trusted General Kriangsak too much. General Sitthi admitted that the guarding was loose and asked local reporters not to think that foreign journalists had more privileges. [Text] [Bangkok BANGKOK WORLD in English 21 Nov 85 p 3 BK] /12232

COUP TRIAL--The trial of 40 people charged in connection with the 9 September abortive coup is expected to take more than 2 years. Chief Justice of the Criminal Court Chuchot Raktabut says that the trial would last a long time because it involves more than 500 witnesses. He says he intends to hold hearings twice a week starting from 4 December. He points out that the large number of famous lawyers defending the suspects would cause problems in setting dates for hearings because each lawyer would also be busy with other cases. [Text] [Bangkok Domestic Service in English 0000 GMT 24 Nov 85 BK] /12232

CSO: 4200/295

PEOPLE'S REPUBLIC OF KAMPUCHEA

PARTY DIRECTIVE ON CELEBRATING LAO NATIONAL DAY

BK181034 Phnom Penh Domestic Service in Cambodian 2300 GMT 17 Nov 85

[Directive of the Central Propaganda and Education Commission--date not given]

[Text] Implementing decision No 01, dated 8 January 1985, of the party Central Committee Secretariat dealing with the celebration of major domestic and international commemorative anniversaries in 1985, the Central Propaganda and Education Commission would like to give the following instructions in order to appropriately celebrate the 10th anniversary of the fraternal LPDR National Day:

I. Desideratum and content of the propaganda:

1. Bring out and explain the significance of the 2 December 1975 victory and the gains achieved by the Lao people in the cause of national defense and reconstruction during the past 10 years under the leadership of the LPRP.
2. Expose the maneuvers of the Beijing expansionists in collusion with the United States and Thailand against the Lao revolution and the revolution of the three Indochinese countries, and extoll the prestige of the LPDR and the three Indochinese countries in turning Southeast Asia into a zone of peace, friendship, and cooperation.
3. Clearly grasp the vital meaning of the Cambodia-Laos and Cambodia-Laos-Vietnam bonds of special solidarity in order to further strengthen these bonds of special solidarity in order to further strengthen these bonds of solidarity among the three Indochinese countries and their solidarity with the Soviet Union and other fraternal socialist countries.

II. Organizational measures:

1. Organize a month of Cambodia-Laos solidarity from 15 November to 15 December 1985 by conducting a propaganda campaign according to the desideratum within the masses, particularly within the party organizations, the youth union, units, ministries, offices, enterprises, factories, and the armed forces. Documents should be the ones compiled by the Central Propaganda and Education Commission.

2. The Cambodia-Laos Friendship Association organizes a get-together prior to 2 December 1985 to which the Lao ambassador in Phnom Penh is invited and which is attended by cadres and employees of central ministries and offices.

3. Exhibitions are to be held in Phnom Penh. The Information and Culture Ministry in cooperation with the Lao Embassy in Phnom Penh organize photo and picture exhibitions on the LPDR and its achievements recorded in the past 10 years.

4. Organize an exhibition of folk arts from Cambodia, Laos, and Vietnam and a contest on the understanding of the LPDR. The Education Ministry and youth union will organize a contest on the understanding of the LPDR and on the bonds of solidarity and friendship between Cambodia and Laos.

The Information and Culture Ministry, the Education Ministry, the youth union, and the trade unions give guidance to localities, ministries, offices, factories, enterprises, and schools in these activities. The General Directorate for Radio and Television should organize a modern song contest about the bonds of friendship and solidarity among Cambodia, Vietnam, and Laos in order to celebrate the 10th anniversary of the LPDR National Day.

5. Provinces bordering on the LPDR should examine possibilities and positive conditions to organize get-togethers with adjacent Lao provinces, districts, and communes in order to boost the morale and promote solidarity between sister provinces along the border.

6. Organize meetings. In Phnom Penh, the KUFNCD National Council in cooperation with the Phnom Penh Municipal People's Revolutionary Committee, the Cambodia-Laos Friendship Association, and the Ministry of Foreign Affairs organizes a solemn meeting on 2 December 1985. In the provinces and cities, the provincial people's revolutionary committees, front committees, and information and cultural services jointly organize commemorative meetings in the provincial and city conference halls.

7. The Ministry of Foreign Affairs works out a program for delegations from central ministries and offices to pay congratulatory visits to the LPDR Embassy.

8. PRACHEACHON, SPK, the radio and television, KAMPUCHEA, PHNOM PENH, and KANGTOAP PADEVOAT should have plans for propaganda according to the desideratum from 15 November to 15 December 1985. They should especially carry an interview with the Lao ambassador and should closely follow the transmissions of the Lao and Vietnamese news agencies and propaganda networks regarding this festival in order to gather complementary materials on this event.

The Central Propaganda and Education Commission hopes that the provinces, cities, ministries, offices, and units will implement this directive successfully and will send a report on the outcome of their work to the

commission prior to 25 December 1985 to be summed up and submitted to the party Central Committee Secretariat.

Slogans:

1) Vigorously welcome the 10. anniversary of the LPDR National Day, 2 December 1975 to 2 December 1985!

2) Long live the everlasting bonds of special solidarity and all-round cooperation among the PRK, the LPDR, and the SRV!

3) Long live the glorious LPDR!

4) Long live the glorious PRK!

5) Long live the LPRP!

6) Long live the KPRP!

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CSO: 4212/22

PEOPLE'S REPUBLIC OF KAMPUCHEA

CHEA SOTH RECEIVES OUTGOING INDIAN DIPLOMAT

BK140905 Phnom Penh Domestic Service in Cambodian 0430 GMT 14 Nov 85

[Text] On the morning of 13 November, at the office of the Council of Ministers, Comrade Chea Soth, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and planning minister, received and held cordial talks with B.D. Malik, charge d'affaires of the Indian Embassy in the PRK, at the end of his diplomatic mission in the country.

Speaking on the occasion, Comrade Chea Soth highly appreciated the efforts of B.D. Malik in his successful diplomatic mission in the PRK which has greatly contributed to further strengthening the bonds of solidarity between the PRK and India. Comrade Chea Soth also expressed profound gratitude to the Indian Government and people for providing material and moral assistance to the Cambodian people's revival.

Replying, B.D. Malik praised the brilliant results of the party's fifth national congress and the great achievements scored by the KPRAF in cooperation with the Vietnamese volunteer army during the past dry season along the Cambodian-Thai border. This shows more clearly the strategic victory which has changed and advanced the Cambodian revolution a step further. At the same time, B.D. Malik also expressed gratitude to the Cambodian party, government, and people for all kinds of assistance provided for the success of his diplomatic mission. He also affirmed that the Indian Government will continue to provide all kinds of assistance to the just cause of struggle of the Cambodian people for independence, freedom, and socialism.

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CSO: 4212/22

PEOPLE'S REPUBLIC OF KAMPUCHEA

SAM SUNDOUN CHAIRS YOUTH MEETING IN KOMPONG SPEU

BK190613 Phnom Penh Domestic Service in Cambodian 0430 GMT 19 Nov 85

[Text] With the aim of vigorously promoting the emulation movement and to prepare a seminar on youths and their tasks, on 15 November, Comrade Sam Sundoeun, member of the party Central Committee, acting secretary of the provisional Central Committee of the Kampuchean Revolutionary Youth Association, and chairman of the association, led a delegation from the youth union and youth association to hold a working session in Kompong Speu Province.

At this meeting, Comrade Im Sopha, deputy secretary of the youth union in Kompong Speu Province, reported to the delegation on the activities of youths and youth movements in the province to serve the country, particularly on the activities to promote the movement to persuade youths to join the army and militia force, the implementation of national defense work program, activities to win back misled persons, the implementation of policies for the rear battlefield, and the setting up of youth organizations. The comrade also highlighted the outstanding activities of youths in Phnum Snuoch. During the second half of this year, these youths volunteered to join the army at a rate that exceeds the plan by 200 percent.

On this occasion, Comrade Sam Sundoeun praised the efforts of the province's youth union and organizations of all levels for achieving fine results in every field in the past, particularly in the fight against the enemies. The comrade outlined the project for a youth seminar and recalled the immediate tasks of youth organizations in the emulation movement to welcome the glorious party and in response to the appeal of the 12th session of the party's Central Committee.

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CSO: 4212/22

PEOPLE'S REPUBLIC OF KAMPUCHEA

NIM THOT RECEIVES SOVIET RADIO, TV DELEGATION

BK160803 Phnom Penh Domestic Service in Cambodian 1300 GMT 15 Nov 85

[Text] On the morning of 14 November, Comrade Nim Thot, vice chairman of the Central Propaganda and Education Commission, cordially received and held talks with a delegation of the Soviet Radio and Television Commission led by Comrade (Kofew), head of the technical department of the Soviet Radio and Television Commission.

On that occasion, Comrade Nim Thot expressed his warm sentiments concerning the visit by the delegation, which has strengthened the relations between the radio and television services of the two countries and brought new experiences in the propaganda field. Concurrently, he also talked about the development in all fields of the Cambodian revolution during the past 7 years, in particular the victories in the 1984-85 dry season scored by our army and people in cooperation with Vietnamese volunteer troops in attacking and destroying 16 camps of the Pol Pot-Son Sann-Sihanouk groups along the Cambodian-Thai border. Comrade Nim Thot also expressed his profound thanks to the Soviet party, government, and people for their assistance and support for the Cambodian people's rebirth, especially in the radio and television fields.

In reply, Comrade (Kofew) expressed his satisfaction at the brilliant successes of the Fifth KPRP National Congress, which was a good experience for all domains and which put forward the party's lines on the economic and social tasks for the next 5 years. He gave assurances that the Soviet party, government, and people are determined to assist and support the Cambodian people in all fields to contribute to the great victory of the fraternal Cambodian people.

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CSO: 4212/22

PEOPLE'S REPUBLIC OF KAMPUCHEA

MEAS KROCH ATTENDS OPENING OF COURSES FOR SOLDIERS

BK190350 Phnom Penh Domestic Service in Cambodian 1200 GMT 18 Nov 85

[Text] A ceremony was held at the KPRAF's political school on the morning of 15 November under the chairmanship of Comrade Meas Kroch, deputy minister of national defense and chief of the KPRAF General Political Department, to open the second training course and third political course for company units' political cadres. Also attending the ceremony were the comrades leaders of various schools under the Defense Ministry.

On this grand occasion, Comrade (Ney Thol), director of the school, read a speech stressing the objectives of the training course for company units' political cadres at a time when our KPRAF are growing, thus requiring more capable political cadres for leading and training soldiers in politics and genuine Marxist-Leninist theories. He also stressed that cadres who have good political capabilities can clearly distinguish friends from foes and can determine their own combat targets.

Comrade Meas Kroch, deputy minister of national defense and chief of the KPRAF General Political Department, exhorted all trainees to study hard and seek more political knowledge in order to turn themselves into party members and political cadres worthy of the trust of our party and people. The comrade stressed that all trainees must strive to temper themselves as political cadres, behave in a way worthy of being members of the revolutionary army, always prepare themselves to serve the revolutionary cause, and fight for socialism.

This ceremony ended in an atmosphere permeated with the determination to advance after a representative of the trainees pledged to follow the advice of the comrade deputy minister.

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CSO: 4212/22

PEOPLE'S REPUBLIC OF CAMBODIA

HUN SEN ATTENDS CLOSING OF HEALTH SERVICE MEETING

BK240529 Phnom Penh Domestic Service (a Cambodian 1300 GMT 23 Nov 85)

[Text] The seventh national health service meeting came to a close at the Health Ministry on 22 November after successfully proceeding for 3 days. Attending in the presidium were, among others, Comrade Hun Sen, Political Bureau member of the party Central Committee, chairman of the Council of Ministers, and minister of foreign affairs, and Comrade Health Minister Vit Kimseng. The comrade deputy ministers and delegates from various health offices throughout the country also attended.

During 3 days of work, the meeting participants heard reports summing up health service rendered during the past 7 years and in 1985. They also heard health service directives and guidelines for 1986 and for the 1986-1990 period. The meeting participants also heard speeches by representatives of various units and discussed results of health service rendered in the past year, examining strengths and weaknesses and exchanging good experiences in order to help improve the effectiveness and yield of medical work to prevent and combat diseases.

They also analyzed the draft plan on medical service for 1986 and for the 1986-1990 period put forward by the Health Ministry. They fully agreed with the report summing up health service and approved in principle the draft plan on medical work for 1986 and for the 1986-1990 period. The meeting participants also visited the Cambodia-USSR friendship hospital and a model village at Prey Spen, Chaom Chau Commune, Dangkai District, Kandal Province.

During the closure of the meeting on the health sector's emulation drive, the Council of Ministers decided to hand over for good its rotary banner to the health office of Kandal Province for being the winner for the past 3 years. The Health Ministry also conferred 1985 recapitulative emulation work banners on eight units, namely, the ones from Battambang, Kompong Thom, Kompong Speu, and Kratie Provinces and from the antimalarial center, the central pharmaceutical warehouse, and the Cambodia-USSR friendship hospital. It also distributed citation certificates and letters to 16 units outstanding in diagnosing and fighting diseases.

Addressing the meeting, Comrade Hun Sen stressed that for Cambodia, capitalizing on health care and raising the quality of human power is an

important endeavor. We aim at heightening the consciousness of our people's productive force so that it can increase its work potential. Therefore, in order to bring success to this task, not only do our medical cadres have to study hard to improve their professional and technical abilities, but they also have to study the line, policy, and guideline of our party and state and must temper themselves through work by studying past experiences and constantly improving themselves. They must particularly have fundamental qualities such as industriousness, thriftiness, humility, and constant loyalty toward the party, state, and people.

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CS0: 4212/25

PEOPLE'S REPUBLIC OF KAMPUCHEA

CHAN PHIN ADDRESSES KAMPOT RICE PURCHASE MEETING

BK190604 Phnom Penh Domestic Service in Cambodian 1300 GMT 18 Nov 85

[Text] A meeting to sum up the outcome of rice purchasing in the 1984-85 season in Kampot Province ended on the afternoon of 13 November after two days of work held at the office of the provincial party committee.

During these two days, participants discussed good and bad experiences of work in the past year and set some necessary measures for implementation in the 1985-86 rice purchase and national patriotic contribution with success. The participants noticed that in the 1984-85 season, despite serious difficulties due to floods and drought, thanks to the people's high revolutionary awareness and the great efforts made by cadres, personnel, and workers of the trade service, Kampot Province bought more than 10,000 metric tons of rice--more than 103 percent of the plan--and fulfilled 46 percent of the national patriotic contribution plan.

The participants expressed agreement with the advice from Comrade Koy Luon, secretary of the provisional party committee of Kampot Province, who called on participants to strive to fulfill the rice purchase plan of 10,000 metric tons this year and to fulfill and even overfulfill the national patriotic contribution plan.

Speaking on that occasion, Comrade Chan Phin, member of the party Central Committee and minister of internal and external trade, highly valued the brilliant results scored by Kampot Province in rice procurement and the national patriotic contribution campaign. He also exhorted all participants to strive to successfully carry out this work in accordance with the plans set forth by the party and state. He stressed: To carry out this plan successfully, authorities at all levels in the province must grasp the quantity of products in each locality and persuade the people to sell rice to the state and make patriotic contribution which are duties of the people in contribution to national construction. At the same time, it is imperative to build (?forces) and strive to check timely competition in procurement from merchants.

Aside from rice procurement and patriotic contribution work, Comrade Chan Phin also called on all participants to strive to restore and expand the three economic sources in the province, that is, foodstuff, forestry, and maritime

products. They should also pay attention to restoring and expanding cultivation of pepper which is a main export product.

In his closing speech, Comrade Som Chen, deputy secretary of Kampot provincial party committee, pledged to carry out the 1985-86 rice purchase and patriotic contribution work successfully in accordance with plan and to transport timely. And maintain thoroughly the purchased rice in order to prevent losses to the utmost, thus contributing to building and making the fatherland develop prosperously.

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CS0: 4212/22

PEOPLE'S REPUBLIC OF KAMPUCHEA

REPORT ON AGRICULTURAL DEVELOPMENTS 11-17 NOV

BK181012 [Editorial Report] Cambodian media monitored by Bangkok bureau carried the following reports on agricultural developments in Cambodia during the reporting period 11-17 November:

National level: SPK in English at 1059 GMT on 16 November reports that to boost intensive farming in this dry season, the Agriculture Ministry supplied, within the month ending 15 November 1,800 metric tons of chemical fertilizer and 350 liters of insecticide, to peasants in Kandal, Takeo, Prey Veng, and Kampot Provinces. The ministry will also provide the various provinces with 8,800 metric tons of chemical fertilizer and 25,000 liters of insecticide for the 63,000 hectares planned for intensive rice farming. Phnom Penh Domestic Service in Cambodian at 0430 GMT on 12 November says that peasants throughout the country are practicing intensive cropping in 1985 rainy season using high-yielding rice seeds. By mid-October, peasants planted rice on 153,000 hectares planned for intensive rice farming.

Kandal Province: The radio at 0430 GMT on 11 November reports that fishermen in Kandal Province are preparing tools for coming fishing season during which they plan to catch 11,050 metric tons of fish. SPK in English at 1104 GMT on 17 November adds that solidarity fishing groups in Phnom Penh plan to catch 5,000 metric tons of fish and make 3,000 metric tons of fish cheese for this season. In the 20 days ending 4 November, they caught 177 metric tons of fish. The radio at 1300 GMT on 12 November notes that by the end of transplanting season, peasants of Kandal Stoeng District had transplanted and broadcast more than 9,600 hectares or 66 percent of rice planting plan.

Kompong Cham Province: SPK in English at 1107 GMT on 17 November reports that in the first 10 months of this year the "January 7" rubber company in Kompong Cham Province added 2,000 hectares to the existing area of 11,286 exploitable hectares. In that period, the company got 9,015 metric tons of dry rubber and 26,621,000 liters of latex. The latex output represented 70 percent of the year's plan.

Kampot Province: The news agency at 1109 GMT on 15 November mentions that the trade service in Kampot Province bought 940 metric tons of surplus rice from the peasants. Phnom Penh radio at 1300 GMT on 16 November reports that up to 24 October, peasants in Kirivong District have transplanted more than 9,400 hectares of rice and broadcast nearly 2,200 hectares of floating rice. In the

same cast the radio adds that during first 10 months of 1985, fishermen in Kampot Province caught nearly 600 metric tons of sea food and produced 21,000 liters of fish sauce.

Kompong Speu Province: Earlier, the radio reports at 1300 GMT on 12 November that by 2 October, peasants of Samraong Tong District had transplanted more than 13,700 hectares of rice or 78 percent of plan.

Pursat Province: SPK in English at 1118 GMT on 16 November reports that by mid-October, peasants in Kandieng District had transplanted a total of 9,580 hectares of rice.

Kompong Thom Province: SPK in English at 1109 GMT on 15 November says that peasants in Kompong Thom Province have grown monsoon rice on 103,500 hectares or 22 percent of the plan. Of the area, 15,300 hectares were put under short-term rice and 7,000 of such hectares had been harvested by early this month.

Takeo Province: The same service at 1136 GMT on 14 November notes that peasants in Takeo Province carried out 83 percent of the plan for the rainy season by putting 121,600 hectares under rice. They also covered 3,000 hectares with subsidiary food crops. For this dry season, the province plans to grow rice on 35,000 hectares and subsidiary food crops on 4,000 hectares. The provincial agricultural service will provide the peasants with sufficient seed and farm tools and with 5,000 liters of insecticide, 50,000 liters of fuel, 267 power pumps, and 3,500 metric tons of chemical fertilizer. SPK in French at 0411 GMT on 17 November adds that by mid-October, peasants in Tram Kak District had planted more than 19,310 hectares of various types of rice, thus fulfilling the rainy season rice growing plan. Radio Phnom Penh at 0430 GMT on 13 November notes that this rainy season, peasants in Prey Kabbas District planted more than 12,400 hectares of rice, including more than 3,200 hectares of broadcast rice, 1,400 hectares of advanced intensive rice, and almost 5,000 hectares of ordinary intensive rice.

Ratanakiri Province: At 1300 GMT on 17 November the radio reports that as of mid-September, peasants in Bar Key District had planted more than 2,570 hectares of slash-and-burn rice, transplanted more than 180 hectares of early rice and planted more than 980 hectares of subsidiary crops and vegetables. They have raised more than 2,000 cattle and 6,600 pigs, chickens, and ducks.

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CSO: 4212/22

PEOPLE'S REPUBLIC OF KAMPUCHEA

REPORT ON AGRICULTURAL DEVELOPMENTS 18-24 NOV

BK251025 [Editorial Report] Cambodian media monitored by Bangkok Bureau carried the following reports on agricultural developments in Cambodia during the reporting period 18-24 November:

Battambang Province: SPK in English at 1052 GMT on 24 November reports that a total of 11,390 solidarity groups for production, including 113 fishing groups, have been formed in Battambang, a border province northwest of Phnom Penh. Compared with last year, the figure is up by 1,086. In the just-ended monsoon, each group of about 13 households put 187,600 hectares under rice, or about 1.20 hectares per family, SPK says.

Kampot Province: SPK in English at 1117 GMT on 18 November reports that by the end of the last monsoon, peasants in Kampot Province had put 95,531 hectares under rice, or 2 percent more than planned. 15,500 hectares were planted with high-yielding IR varieties which have been completely harvested with an average output of 2 metric tons per hectare. Taking the lead is the district of Dang Tong which planted 9,774 hectares or 14 percent more than planned. According to Phnom Penh Domestic Service in Cambodian at 1300 GMT on 24 November, fishermen in this province caught 579 metric tons of fish in October. During the first 9 months of the year, they caught 3,479 metric tons. SPK in English at 1050 GMT on 24 November reports that peasants at Chhuk District are planting rice on 300 hectares earmarked for the dry season. They have received assistance from the district administration in repairing six sluice gates and will be provided with IR-36 rice seed, 10 metric tons of chemical fertilizer, 18 diesel pumps, and 1,000 liters of petrol. In the last monsoon, the peasants planted rice on 10,150 hectares. Of this area, 4,000 hectares were planted with short-term rice which yielded an average of 1.5 metric tons per hectare, SPK adds.

Kandal Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 23 November reports that the province plans to grow 35,500 hectares of rice in the 1985-86 dry season. It also plans to grow 30,500 hectares of corn, 6,450 hectares of industrial crops, and 10,720 hectares of subsidiary food crops during the same period. A radio report at 1300 GMT on 23 November adds that peasants in this province have planted more than 25,000 hectares of subsidiary food and industrial crops. According to SPK in English at 1117 GMT on 18 November, peasants in Muk Kampul District sold to the state 185 metric tons of surplus rice, 300 metric tons of tobacco, 48 metric tons of beans, 10

metric tons of sesame, 6 metric tons of corn, and 30 metric tons of live pigs in the third quarter of this year. Phnom Penh Domestic Service in Cambodian at 0430 GMT on 19 November reports that fishermen in Phnom Penh plan to catch 5,000 metric tons of fish in the 1985-86 fishing season. By early November, they had caught more than 177 metric tons of fish. Kompong Chhnang Province: Phnom Penh Domestic Service in Cambodian at 1300 GMT on 22 November reports that during the rainy season peasants of Rolea P'ier District transplanted more than 9,900 hectares of rice. Another radio report at 1300 GMT on 21 November says that so far peasants in Baribo District have planted more than 6,500 hectares with all types of rice.

Kompong Speu Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 23 November reports that by the end of 1985, peasants in this province had raised more than 130,000 cattle, nearly 47,000 hogs, and tens of thousands of fowl.

Kompong Thom Province: SPK in English at 1109 GMT on 19 November says that Kompong Thom Province has paid great attention to the care of draft animals. By the end of October, veterinary workers there had vaccinated 123,600 head of cattle and 27,000 pigs against epizootic diseases. SPK in English at 1119 GMT on 22 November reports that in the last monsoon, peasants at Baray District put 30,690 hectares under rice or 92 percent of the plan. The planted area was an increase of 5,300 hectares over the same period last year. The peasants have harvested 1,300 hectares of 6,000 hectares of short-term rice.

Pursat Province: According to SPK in English at 1206 GMT on 19 November, the veterinary service of the province had by the beginning of October vaccinated 14,600 buffalo and more than 34,300 oxen against epizootic diseases. The province now has 9,280 oxen and 25,500 buffalos. Ratanakiri Province: Phnom Penh Domestic Service reports at 0430 GMT on 18 November that peasants of Lophat District had by the end of September plowed more than 1,100 hectares, transplanted more than 1,000 hectares of rice, put more than 660 hectares under slash-and-burn rice, and planted 180 hectares of subsidiary food crops. The same service reports at 1300 GMT on 19 November that peasants in Veun Sai District had by the end of September planted 3,800 hectares with rice and nearly 2,600 hectares with subsidiary food crops.

Svay Rieng Province: Phnom Penh Domestic Service at 0430 GMT on 19 November reports that from the beginning of the season to the end of October, peasants at Svay Rieng District transplanted, broadcast, or planted more than 33,000 hectares of various types of rice and reclaimed more than 300 hectares of land.

Takeo Province: SPK in English at 1117 GMT on 18 November reports that despite a long mid-monsoon drought, solidarity production groups at Tram Kak District have fulfilled their plan for monsoon rice planting on 19,310 hectares. Moreover, they grew 760 hectares of cassava, beans, and vegetables and raised 14,000 domesticated fowl. They are now harvesting the IR-42 rice variety on 26 hectares with an average output of 5 metric tons per hectare. For this dry season, they plan to cultivate rice on 1,500 hectares. SPK in

English at 1109 GMT on 20 November reports that because of unfavorable weather in the last monsoon, peasants at Treang District could plant rice on only 20,160 hectares or 87 percent of the plan. This dry season they will grow rice on 6,500 hectares including 1,000 hectares of the high-yielding IR-36 variety, the news agency adds. According to Phnom Penh Domestic Service at 0430 GMT on 20 November, by the end of October, the agricultural service of Samraong District had distributed 400 metric tons of fertilizer, 300 liters of insecticide, and 9 water pumps to the peasants, the district and the local veterinary service had also vaccinated nearly 15,000 heads of cattle against epizootic diseases.

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CSO: 4212/25

PEOPLE'S REPUBLIC OF KAMPUCHEA

KUFNCD, MEN CHHAN DISTRIBUTES AID IN KAMPOT

BK140433 Phnom Penh Domestic Service in Cambodian 1300 GMT 13 Nov 85

[Text] On 10 November, a KUFNCD National Council delegation led by Comrade Men Chhan, member of the Council of State and vice chairman of the KUFNCD National Council, and Comrade Min Khin, deputy secretary general of the KUFNCD National Council and secretary general of the Cambodian-Soviet Friendship Association, visited and distributed relief aid from the Soviet Committee for Solidarity with Asian-African People and from the People's Republic of Bulgaria to people affected by flood and drought in Kampot Province.

During its 3-day stay in Kampot Province, the delegation visited economic and cultural centers and cadres, personnel, and workers at various factories and worksites. The delegation also attended a meeting marking the 68th anniversary of the Great October Socialist Revolution with a large number of local authorities, members of mass organizations, inhabitants, soldiers, and more than 400 students participating.

The delegation also met and conversed with members of the provincial party committee, people's revolutionary committee, and front leaders.

During these visits and activities, Comrade Men Chhan conveyed best regards from the high-ranking leaders of party and state to the people in Kampot Province who have actively joined revolutionary movements, thus contributing to the all-round development of the Cambodian fatherland. He also hailed our people for their heroic spirit in combating the enemies successfully, thus effectively ensuring the defense of the revolutionary gains, public order, and security for the people in Kampot Province.

The delegation returned to Phnom Penh safely on 12 November after distributing relief aid--bicycles, sewing machines, utensils, and stationery--to people in Kampot Province who have been affected by flood and drought.

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CSO: 4212/22

PEOPLE'S REPUBLIC OF KAMPUCHEA

HUN SEN SPEAKS AT AGRICULTURAL WORK CLOSING

BK180954 Phnom Penh Domestic Service in Cambodian 0430 GMT 18 Nov 85

[Text] The meeting discussing the agricultural work in the 1985 rainy season which was held at the agriculture minister's office came to a successful end in the afternoon of 16 November after 4 days of work. During the session, the participants exchanged views on production of the 1985 rainy-season rice as part of the campaign to cope with past difficulties and shortages. They drew new experience that would lead toward greater successes in the work to promote agricultural production in the future, especially during the 1985-86 dry season, bringing about a higher yield that would contribute to restoring the national economy and accelerating the country toward prosperity along the path of advancement of the Cambodian revolution. The meeting participants also agreed upon and firmly grasped four new major tasks: paying attention to producing seeds, doubling the cropping process for each rainy season, promoting the timely plowing of ricefields with tractors and draft animals, and paying special attention to building and repairing small irrigation works to bring up the volume of grain to ensure the everyday needs of the people.

Speaking on the concluding day, Comrade Hun Sen, member of the party Central Committee Political Bureau and chairman of the Council of Ministers, urged the members of delegations from all provinces and cities to spare no efforts once they return to their localities to vigorously accelerate the movement to increase food production as the fifth party national representative congress clearly specified that food is the first, most important of the four spearheads of the national economy that are defined in the first 5-year national socioeconomic restoration and development plan of the party.

The comrade chairman of the Council of Ministers stressed that along with growing rice, the provinces and cities should encourage the people to pay attention as well as to planting subsidiary crops, especially cotton and hemp, two of the political objectives of the party and state in providing raw materials for industry and ensuring the export of farm produce, contributing thereby to defending and building the Cambodian fatherland step by step through the transitory period toward socialism.

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CSO: 4212/22

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

AID TO KOMPONG CHAM--The Cambodian Red Cross recently distributed 36 metric tons of rice as aid from international humanitarian organizations to people in Kompong Cham Province who have been affected by natural disasters. [Excerpt] [Phnom Penh Domestic Service in Cambodian 1300 GMT 14 Nov 85 BK] /9599

RAINY SEASON OPERATIONS--In the past rainy season, the revolutionary state power, our army, militiamen, and people in Varin District [Siem Reap-Oddar Meanchey Province] closely cooperated with Vietnamese volunteer troops in successfully launching 127 operations to sweep out the Pol Pot-Son Sann-Sihanouk enemy remnants hiding in the forests and mountains near the Cambodian-Thai border. We killed 26 enemy soldiers and wounded (?8) others. We seized 27 assorted weapons and some military materiel. Concurrently with the sweeping operations against the enemy soldiers, our army, militiamen, and people in Varin District have propagated the policy of the state and the party and appealed for misled persons to return to the fold. A total of (?299) misled persons did so, bringing with them (?210) weapons. At present, our state power, army, militiamen, and people in Varin District are cooperating with Vietnamese volunteer troops to seek out and fight the remnant enemies in the jungles and mountains to ensure a peaceful life for our people. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 15 Nov 85] /9599

ALIA'S THANKS TO HENG SAMRIN--Comrade Ramiz Alia, first secretary of the Albanian Workers Party Central Committee, recently sent a message to thank Comrade Heng Samrin, general secretary of the Khmer People's Revolutionary Party Central Committee, for his greetings on the occasion of his 60th birthday anniversary. The message says: I would like to express my best wishes for your successes and the development of your country as well as for the strengthening of friendship between our two peoples and countries. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 15 Nov 85] /9599

SELF-DEFENSE CEREMONY--On the afternoon of 13 November at the No 5 textile factory, a ceremony was held to recognize the factory's self-defense unit. On this occasion, Comrade (Ven Peakrom), of the Phnom Penh military command, outlined the brilliant successes of the KPRAF and the development of our Army in the past, particularly the victories along the Cambodian-Thai border during the 1984-85 dry season. The comrade also praised our workers, who have a lofty spirit of sacrifice and have served in the militia force to defend the factory and ensure its production capability as well as to serve the cause of

building the fatherland. On the same occasion, Comrade Meas Samnang, industry minister, called on all members of the self-defense unit always to heighten their revolutionary spirit, be loyal to the party, pay attention to production, and smash the enemies with close cooperation with the Army, police, people, and the Vietnamese volunteer army to defend the fatherland and the revolutionary gains. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 16 Nov 85] /9599

SOLDIERS KILLED--In their operations launched recently in close cooperation with militiamen and Vietnamese Army volunteers, the armed forces of Chikreng District, Siem Reap-Oddar Meanchey Province, killed 33 enemy soldiers, wounded 87 others, captured 5, and seized 16 assorted weapons, 1 boat, 1 motorboat, and some war materiel. Regarding the movement to persuade misled persons to return to the fold, from the beginning of the year to October 266 misled persons turned themselves in to our revolutionary authorities, bringing along 91 assorted weapons and some war materiel. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 17 Nov 85] /9599

MISLED PERSONS RETURN--In October, a total of 252 misled persons turned themselves in to revolutionary authorities in Siem Reap-Oddar Meanchey Province, bringing along 137 assorted weapons and a large quantity of ammunition and war materiel. This has been made possible because the masses have actively joined in the movement to persuade misled persons to return to our society by disseminating the party-state policy of clemency among misled persons and telling them about better life of returnees in various localities. This is also made possible thanks to the fact that authorities in Siem Reap-Oddar Meanchey Province have appropriately and timely implemented the 6-point policy toward misled persons. The movement to persuade misled persons to return to the fold has become a lively emulation drive among people in Siem Reap-Oddar Meanchey Province. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 18 Nov 85] /9599

OPENING OF DIPLOMACY COURSE--A ceremony was held at the Foreign Ministry on the afternoon of 21 November to open the diplomacy course, second stage, for the second batch of 76 trainees--cadres from all departments under the Foreign Ministry. Speaking on the occasion, Comrade Kong Korm, member of the KPRP Central Committee and 1st deputy foreign minister, highly valued the brilliant victories of the Cambodian revolution in the past almost 7 years, particularly those achieved in the diplomatic field by the Foreign Ministry. The comrade noted the situation of the enemies who are attempting to sabotage the Cambodian revolution and the support for the Pol Pot remnants and the Son Sann-Sihanouk groups by Beijing Chinese and U.S. imperialists. He exhorted all trainees to abide by the school discipline and strive to acquire as much knowledge as possible and to build themselves well into good revolutionary cadres and good combatants in the ranks of the party's working class. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 22 Nov 85]

MISLED PERSONS, WEAPONS--A total of 22 misled persons returned to the fold in Sisophon District, Battambang Province, October. They brought with them 11 weapons including 1 RPD, and 10 AK's and 1,370 rounds of ammunition.

JPRS-SEA-85-190
12 December 1985

[Excerpt] [Phnom Penh Domestic Service in Cambodian 1300 GMT 23 Nov 85 BK]
A total of 23 misled persons returned to the fold in Thpong District, Kompong
Speu Province, in the 1st 10 months of 1985. They brought with them 2 B-40's,
11 AK's, 6 B-40 rockets, more than 670 rounds of AK ammunition, 4 hand
grenades, and a large quantity of materiel. [Excerpt] [Phnom Penh Domestic
Service in Cambodian 0430 GMT 24 Nov 85 BK]

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CSO: 4212/25

MILITARY AFFAIRS AND PUBLIC SECURITY

ARMY NEWSPAPER REVIEWS HISTORY OF PUBLIC SECURITY FORCES

Hanoi QUAN DOI NHAN DAN in Vietnamese 18 Aug 85 pp 1, 4

[Editorial: "Forty Years of Unceasing Combat for the Security of the Homeland"]

[Text] The People's Public Security Forces, which were formed in the whirlwind of the August General Uprising, have experienced 40 years of combat and have matured very gloriously.

Under the vanguard flag of the glorious Party, the People's Public Security Forces have continually manifested revolutionary heroism, outstandingly fulfilled all missions assigned them, and contributed greatly to the great undertaking of maintaining national security, defending the revolutionary administration, liberating our people, unifying our nation, and building and defending the socialist Vietnamese homeland.

The 40-year-long history of the People's Public Security Forces has been part of our people's history of heroic struggle in combat for independence, freedom, and the creation of a new way of life.

As soon as they were founded the People's Public Security Forces, facing a situation in which the nation's destiny was "hanging like a thousand pounds suspended by a hair" because of domestic and foreign enemies, the People's Public Security Forces, along with the other peoples armed forces, heroically, resourcefully, resolutely and promptly suppressed the reactionaries, spies, and traitors to defend the Party, defend the young revolutionary regime, and defeat all insidious plots and schemes of the enemy.

In the resistance war against the French colonial aggressors, the People's Public Security Forces fought shoulder-to-shoulder with the People's Army, militia and self-defense forces, and people of the entire nation against the aggressors and their lackeys, punished or captured hundreds of groups of spies and commandos, and stopped and smashed attempts to cause rebellion, solidly defended our leadership organs and rear area bases, and contributed to completely liberating the north and advancing toward socialism.

As soon as the resistance war against the French colonialists ended the People's Armed forces, along with the entire population and army, began the

great anti-U.S. resistance war for national salvation. Under the light of the resolutions of the Third Party Congress and the plenums of the Party Central Committee, the People's Public Security Forces in the north victoriously fulfilled its missions: suppressing spies and internal reactionaries, combining mass motivation with the professional measures to arrest hundreds of U.S.-puppet spy and commando groups, doing a good job of defending the economic and national defense installations, maintaining security and order even in the most fierce combat areas, and contributing to the defeat of the war of destruction waged by the air force and navy of the U.S. imperialists. In the south, the People's Public Security Forces, shoulder-to-shoulder with our people and soldiers, continually attacked and arose to defeat the enemy's neocolonial war strategy, defended the Party and the revolutionary movement, defended the liberated area, opposed the pacification, Chieu Hoi, and psychological warfare plots, resisted traitors, killed bullies, contributed to smashing the enemy's control apparatus and, along with the soldiers and people of the entire nation, won a great victory in the spring of 1975.

In the new period of the revolution our People's Public Security Forces, fulfilling the two strategic missions of building socialism and defending the homeland, played a hard-core assault role in maintaining political security and social order, contributed to defeating the multifaceted war of destruction waged by the enemy, and staunchly defended the socialist Vietnamese homeland.

With their working class nature, educated by the Party and our beloved Chairman Ho Chi Minh, and forged in the furnace of heroic revolutionary struggle by all the people, our People's Public Security Forces have built an extremely precious tradition, with the fine examples of People's Public Security policemen. They are outstanding groups and individuals, from heroes and martyrs who achieved countless feats of arms to the quiet cadres and personnel in all positions, who have always proven to be absolutely loyal to the Party and homeland, continually remained vigilant, been brave, determined, resourceful, and creative in the face of the enemy, united with and loved their fellow unit members, and sacrificed all to serve the great revolutionary undertaking of the Party and the people.

Our Party and people highly evaluate the great contributions of the People's Public Security Forces, who have fought 40 long years for the security of the homeland and for socialism. Today, in the new phase of the revolution, our Party has pointed out, "Maintaining political security and social order and safety is an extremely important mission in defeating the enemy's multifaceted war of destruction. It is necessary to resolutely suppress the counterrevolutionaries, promptly smash the schemes of the various kinds of reactionaries to stage a comeback, stop and punish the sabotage activities of the enemy in all spheres, strengthen law and discipline, and preserve social order and the safety of the people. In order to fulfill those missions, it is necessary to build People's Public Security Forces that are pure and strong in all regards, are truly sharp tools of a proletarian dictatorship state, are absolutely loyal to the homeland, the Party, and the people, and have modern, professional, regular forces that are stable politically, skilled professionally, have good scientific-technical levels, have the necessary specialized equipment. There must be strong semi-specialized forces and a

broad mass base in order to ensure the outstanding fulfillment of all missions" (Resolution of the Fifth Party Congress).

Implementing the Party resolution, in recent years the People's Public Security forces have endeavored to improve their quality and meet the actual requirements of work and combat. The major campaign to "Study and train according to our beloved Uncle Ho's six admonitions to the People's Public Security Forces" was carried out in all units nationwide and is now exerting a strong effect in inspiring all public security cadres and men to further improve their political quality and specialized ability. Attention to recapitulating experiences and studying the science of public security has served to raise the political and professional levels of the cadres and men. A mass movement to maintain security and order is developing strongly, especially in the strategic areas, the border areas, and the ethnic minority areas. The basic-level public security forces at the subward and village levels, the forces defending the organs and enterprises, and the mass organizations maintaining security and order have been strengthened.

Our army and our People's Public Security forces are sharp tools and solid pillars of the socialist state which are organized and led by the Party and have the all-out love and assistance of the people. Our armed forces are very proud of our heroic security forces, our kith and kin and close comrades, who are fulfilling their missions in defending national security. Since the first day of the revolution there has been a close relationship between our armed forces and the people's Public Security forces. They are united and helpful to each other in fulfilling the missions assigned by the Party and people. The close cooperation among the public security forces, the troops, and the militia and self-defense forces in maintaining political security and social order and safety has become a fine tradition, a great strength with which to defeat all sabotage and plots of the enemy troops.

Commemorating the founding of the heroic People's Public Security Forces, our entire army sends to the public security cadres and men its warmest greetings. We are confident that the People's Public Security Forces will develop to a high degree their fine nature and glorious tradition of victory, study and act in accordance with the six admonitions of Uncle Ho, fulfill all missions assigned them, and build pure, strong forces which will achieve many new accomplishments, and always be worthy of the confidence and love of the Party, the state, and the people.

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CSO: 4209/36

MILITARY AFFAIRS AND PUBLIC SECURITY

PHAM VAN DONG BOOK REVIEWED

Hanoi QUAN DOI NHAN DAN in Vietnamese 22 Aug 85 p 2

[Article: " 'Some Military Problems in Liberating and Defending the Nation' by Comrade Pham Van Dong"]

[Text] On the occasion of the 40th anniversary of the August Revolution and National Day (2 September), the People's Army Publishing House has published the book "Some Military Problems in Liberating and Defending the Nation" by comrade Pham Van Dong, a member of the Political Bureau of the Central Committee of the Vietnam Communist Party and Chairman of the Council of Ministers of the Socialist Republic of Vietnam. The book consists of a number of selected speeches and articles and excerpts on military topics by comrade Pham Van Dong since the August Revolution. Some articles are published for the first time.

The book records the long course of the past 40 years, an historical period of the most illustrious struggle and glorious victory of the Vietnamese people, under the leadership of the Vietnamese Communist Party. In the book articles are arranged according to time and reflect the advances of our people, who won victory to another and complete victory in the sacred liberation enterprise in the spring of 1975, and who are now continuing to advance steadily toward winning great victories in the great undertaking of building and defending the socialist homeland.

With the status of a leader of the government during that period, comrade Pham Van Dong wrote speeches and articles about many different spheres of activity of our people and state. In many of those articles he dealt with the military problems of the struggle of our people in two national liberation resistance wars and in the recent war to defend the homeland. The principal period is the anti-U.S. resistance war for national salvation.

The reader notes that the military matters discussed in the book are concentrated on the thoughts and viewpoints of our party's military line, a line which creatively applies Marxist-Leninist theory on war and the army to the specific conditions of our country and carries on and develops the precious traditions of our people in fighting the enemy and defending the nation, while at the same time studying and selectively applying the advanced

armed struggle experiences of the Soviet Union and the other fraternal socialist countries.

Comrade Le Duan conceptualized the correct and creative military line of our Party, the unique feature of which is the brilliant military thought of President Ho Chi Minh, the great leader of the Vietnamese revolution and people and the beloved father of the Vietnamese armed forces as being a line of always taking the initiative and being creative, being determined to fight and win, and knowing how to fight and win.

A full image of President Ho Chi Minh was presented by comrade Pham Van Dong in the article "President Ho Chi Minh, the Essence and Spirit of the Nation, the Conscience of the Era," an image that permeates the book and is part of each phase of arduous struggle and victory of the Vietnamese revolution. The military genius of President Ho and the collective intelligence of the Political Bureau of the Party Central Committee delineated strategies to lead our people's scared resistance war, and after he died that strategy led our people to the victory of completely liberating the nation. As comrade Pham Van Dong said, "We carried out very well a strategy that became a poem: 'fight the Americans until they get out, fight the puppets until they collapse' " (p 320).

Our party continually develops and perfects its military line. Deeply imbued with class viewpoint and the viewpoint of violence in revolutionary struggle, in each period our Party has always wisely determined the enemies of the revolution and the dangerous categories against whom we must concentrate our fierce attacks. When the anti-French resistance war was about to end comrade Pham Van Dong, at the international forum of the Geneva Conference on Vietnam in 1954, pointed out that "At present, the U.S. interventionists and the Frenchmen who advocate continuing the war to the end are the principal impediments to a settlement and the restoration of peace in Indochina" (p 60). At the beginning of 1965, when the U.S. bandits started their limited war in the South and a war of destruction against the North, comrade Pham Van Dong, read before our National Assembly an "Indictment Condemning Aggression by the U.S. Imperialists" (p 77) which sternly exposed them as a dangerous enemy of the Vietnamese people and an enemy of progressive mankind. That indictment contributed to mobilizing the maximum strength of era to completely defeat the U.S. bandit aggressors. Promptly exposing our people's current enemy, comrade Pham Van Dong said, "Today, the new enemy are the Chinese expansionsits, who are allying with the U.S. imperialists and all other reactionary forces, are nurturing a plot to commit aggression against our country, and every day sabotage our country's economy and creating for us incalculable difficulties" (p 324).

Revolution is an undertaking of the masses. The Marxist-Leninist viewpoint on the role of the masses and our Party's people's war viewpoint were profoundly analyzed by comrade Pham Van Dong when he spoke of the inexhaustible strength of Vietnamese people's war and the Vietnamese people. In his view, the outstanding feature is heroism, intelligence, and creativity in all activities. Our people, led and educated by the Party, have developed to a very high level the political-morale superiority and just cause of the resistance war, manifested consciousness of mastering the nation, overcome all

hardships and sacrifice, and united in struggle. Therefore, they have had sufficient strength to defeat all violent enemies. Comrade Pham Van Dong repeated that great and simple truth when answering an American's question in February 1985: "The Americans were defeated in Vietnam because they waged an unjust war against a nation with a tradition of determination to fight and defeat all enemy aggressors" (p 339).

In the people's war led by the Party, the entire population was mobilized and armed to fight the enemy, but the people's armed forces served as the hard core. Manifesting the concern of the Party and state for developing the people's armed forces, comrade Pham Van Dong many times visited units of the branches and combat arms of the Vietnam People's Army and the basic units during combat, visited the cadres and men and passed on to them the iron-like strategic determination of the entire Party and nation, and encouraged the armed forces to fulfill all missions. In a speech to high-ranking armed forces cadres in August 1976, before they set out to launch a major campaign, comrade Pham Van Dong set aside much time to analyze the situation in our country and the world and the comparison of forces between ourselves and the enemy. He analyzed the opportunity as being "one in a thousand years" (p 172) and encouraged the entire army to victoriously carry out the determination of the entire Party and population. On all battlefields our army and people launched a general offensive and simultaneous uprising, fought very strongly, defeated the limited war of the U.S. bandits in the South, and defeated their war of destruction in the North. The heartfelt words of comrade Pham Van Dong at the Air Defense-Air Force headquarters at the end of December 1972 inspired the cadres and men of the armed forces branch to enthusiastically achieve merit and win a glorious victory over the U.S. bandit aggressors.

In view of the new situation and missions of the great undertaking of defending the homeland, when visiting the Military Technology Institute comrade Pham Van Dong gave thoughtful encouragement and detailed guidance regarding the direction of the Institute to enter deeply into scientific-technical research, respond to the urgent development of the mission of building the army, and contribute to the nation's scientific-technical revolution.

In the mission of building the people's armed forces, our Party continually pays attention to cultivating a corps of high-quality, capable cadres. Even before the August Revolution, in an educational document written in the Viet Bac War Zone for the still embryonic revolutionary liberation armed forces, comrade Pham Van Dong wrote, "The commanders must be the first to observe discipline and serve as models for the troops" (p 21) or "The commanders and political personnel must be models in combat, for such model acts have a greater influence than propaganda" (p 24). In 1967, speaking to high-ranking cadres in the army, comrade Pham Van Dong stressed, "As commanders you must be more brave, intelligent, resourceful, and creative than the other" (p 176) and admonished the cadres, "In addition to being determined you must improve your ability, and determination and ability must be manifested in measures to organize implementation" (p 174).

After winning a total victory and completely liberating the nation, our people must continue to cope with the new enemy, the Beijing reactionaries in league

with the U.S. imperialists and the other reactionaries, who are plotting to weaken and eventually annex our country and achieve their aspiration of expanding into Southeast Asia and the world. Our soldiers and people have defeated two of their wars of encroachment on the southwestern and northern borders and now must continually be prepared to smash the many-sided war of destruction and the border encroachment war, while also being prepared to defeat all of their plots to start a war of aggression. In view of that new situation, with a scientific and profound analysis comrade Pham Van Dong indicated three very basic conclusions which affirmed the inevitable victory of our people's fight against the new enemy (p 302): "The inevitable laws of history cannot be reversed" (p 303).

The book "Some Military Problems in Liberating and Defending the Nation," published on the occasion of those solemn anniversaries, is a strong source of inspiration for our soldiers and people and develops the tradition of an historical period of very glorious struggle and helps our cadres and party members to continue to study the military viewpoints and thought of the Party and firmly grasp the theory of armed struggle in the enterprise of liberating and defending the nation--a major concern of the present era--and inspires everyone to increase their confidence and enthusiasm and endeavor to fulfill their missions in the new revolutionary phase.

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CSO: 4209/36

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

ALBANIAN AMBASSADOR'S PRESS CONFERENCE--Hanoi, VNA 22 November--Albanian Ambassador to Vietnam Sryja Laze called a press conference here this evening in honour of his country's 41st National Day (29 November). The ambassador brought out the development of the Albanian people's revolutionary struggle under the foundation of the People's Socialist Republic of Albania on 29 November 1944. He briefed the audience on the great achievements of the Albanian people over the past 41 years and presented Albania's Eighth 5-Year Plan for socialist construction. The Albanian ambassador highly valued the constantly-developed friendship and cooperation between Albania and Vietnam. He expressed the Albanian people's joy at the Vietnamese people's achievements in socialist construction and national defence and wished them success in their revolutionary cause. [Text] [Hanoi VNA in English 1651 GMT 22 Nov 85 OW] /12232

HUNGARIAN PAPER MARKS TREATY--Hanoi VNA 22 November--"The friendly relationship between the Hungarian People's Republic and the Socialist Republic of Vietnam has been built on a firm base," said Hungarian paper NEPSZABADSAB (The People's Freedom), organ of the Hungarian Socialist Workers' Party, in a commentary on Thursday in honour of the first anniversary of the Hungary-Vietnam Friendship and Cooperation Treaty. It continued: "Over the past several decades, Hungary has helped Vietnam in its fight against foreign aggressors. That whole-hearted assistance still continues in the years of peaceful construction. The mutually beneficial economic cooperation between the two countries has been constantly consolidated and developed. Hungary has helped Vietnam modernise a number of production branches." [Words indistinct] the paper pointed out: "coupled with the development of the economic cooperation, the political relations, including the meetings of leaders of the two countries, and the cultural cooperation have been strongly promoted. This conforms to the treaty signed in 1984 and serves the interests of the two peoples and the socialist community as a whole, of peace and social progress." [Text] [Hanoi VNA in English 1538 GMT 22 Nov 85 OW] /12232

BURMESE COUNTERPARTS GREETED--Hanoi VNA 12 November--President of the Vietnamese State Council Truong Chinh today extended his warmest congratulations to U Sam Yu on the occasion of his re-election as president of the Socialist Republic of the Union of Burma. Warmest congratulations were also sent from chairman of the Council of Ministers Pham Van Dong to U Maung Maung Kha on his re-election as prime minister of Burma. In their messages, the Vietnamese

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leaders wishes the Burmese people happiness and prosperity, the friendship between the two countries further consolidation and development and the new Burmese leaders good health and success in their noble missions. Foreign Minister Nguyen Co Thach also sent a message of congratulations to U Ye Gung on his appointment as Foreign Minister of Burma. [Text] [Hanoi VNA in English 1541 GMT 22 Nov 85 OW] /12232

HUNGARY'S ESTI EDITOR VISITS--Hanoi VNA 22 November--Gabor Paizs, editor-in-chief of the Hungarian paper ESTI HIRLAP paid a friendly visit to Vietnam from 14 November at the invitation of the Editorial Board of the Vietnamese daily HANOI MOI (New Hanoi). The visit was made in furtherance of an agreement on cooperation between the two dailies signed in June 1984 by the Party Committees of Hanoi and Budapest. On 15 November, Gabor Paizs, who is also member of the Budapest Committee of the Hungarian Socialist Workers' Party had working sessions with Editor-in-Chief Hong Linh and other leading members of HANOI MOI paper. The two sides exchanged views on matters of mutual concern. He toured several production establishments, historical relics and places of interest in Hanoi, Quang Ninh Province (northeast of Hanoi), and other localities. The Hungarian journalist was received on separate occasions by Tran Tan, alternate member of the Communist Party of Vietnam Central Committee and deputy secretary of the Hanoi Party Committee, Minister Vo Dong Giann and Le Tuan Dong, deputy head of the party Central Committee's Commission for Propaganda and Training. Today, he left Hanoi for a visit to Ho Chi Minh City. [Text] [Hanoi VNA in English 1547 GMT 22 Nov 85 OW] /12232

PROVINCES CET TECHNICAL HELP--The southern Vietnamese province of Thuan Hai has sent many kinds of technicians to Kampuchea to help the sister province of Preah Vihear build electric lines, a 100-bed hospital, 7 district clinics, and 40 medical stations. Thuan Hai has also helped Preah Vihear build some 3,000 square meters of housing space and many shops and engineering workshops. Meanwhile, the Vietnamese province of Hau Giang is helping its sister Kampuchean province of Kompong Chhnang build irrigation network and restore the electric line. The health care service of Hau Giang has trained 25 medical workers for Kompong Chhnang. [Text] [Hanoi International Service in English 1000 GMT 22 Nov 85 BK] /12232

SOVIET SUPREME COURT DELEGATION--Hanoi VNA 22 November--Chu Huy Man, Political Bureau member of the Communist Party of Vietnam Central Committee and vice-president of the State Council, received here today the visiting delegation of the Soviet Supreme Court led by Chairman V.I. Terchilov, who is also alternate member of the CPSU Central Committee. Present at the reception were Pham Hung, alternate member of the CVP CC and president of the Vietnamese Supreme Court; and Le Trang, deputy head of the Office of the National Assembly and of the State Council. Soviet Ambassador B.N. Chaplin attended. Speaking on occasion, Vice President Chu Huy Man highly valued the cooperation between the two supreme courts in the juridical work and thanked the Soviet Party, Government and people for their great assistance to Vietnam in various fields. Chairman V.I. Terchilov expressed his joy at the effective cooperation and mutual assistance between the two supreme courts and wished for further development in the coming years. He thanked the Vietnamese Party, Government, and people for the warm welcome and hospitality given to his delegation during its Vietnam visit. [Text] [Hanoi VNA in English 1606 GMT 22 Nov 85 OW] /12232

MOLDAVIAN AMITY GROUP VISIT--Hanoi VNA 26 Nov--Hoang Tung, secretary of the Communist Party of Vietnam Central Committee has received the visiting delegation of the Moldavia Society of Friendship and Cultural Relations with Foreign Countries, which has been here also to attend the "Moldavian Days in Vietnam." Among those present at the reception were Trinh Ngoc Thai, vice president of the Vietnam-USSR Friendship Association, and representative of the Soviet Embassy here. On 25 November Trin Ngoc Thai, acting on behalf of the Council of Ministers, presented "friendship" medals to 25 Moldavian artists for the active participation in the "Moldavian Days in Vietnam," which have contributed to strengthening the friendship between the Vietnamese and Soviet peoples.
/Text/ /Hanoi VNA in English 1510 GMT 26 Nov 85 OW/ 12228

SWEDISH ENVOY PRESENTS CREDENTIALS--Hanoi VNA 25 Nov--Carl Erhaard Lindahl, ambassador extraordinary and plenipotentiary of the Kingdom of Sweden, today presented his credentials to Vice President of the State Council Nguyen Huu Tho. Vice President Nguyen Huu Tho had a cordial talk with the Swedish ambassador. With him were Minister Vo Dong Giang and Deputy Director of the office of the State Council and National Assembly Le Trang. /Text/ /Hanoi VNA in English 1513 GMT 25 Nov 85 OW/ 12228

PRK ENVOY PAYS FAREWELL VISIT--Hanoi VNA 25 Nov--The ambassador extraordinary and plenipotentiary of the People's Republic of Kampuchea to Vietnam, Sieng Saran, today paid a farewell visit to Nguyen Huu Tho, vice president of the State Council and chairman of the National Assembly, before leaving here for another assignment at home. Vice President Nguyen Huu Tho had a cordial conversation with the Kampuchean ambassador. /Text/ /Hanoi VNA in English 1512 GMT 25 Nov 85 OW/ 12228

PRESS WELCOMES GANDHI VISIT--On the occasion of the coming visit to Vietnam by Indian Prime Minister Rajiv Gandhi, all Hanoi papers on Tuesday gave wide coverage to India's great achievements and its fine relations with Vietnam in the past decade. The national leading paper NHAN DAN carried an article written by Dr Dang Hoi Xuan, minister of public health and president of the Vietnam-India Friendship Association, under the title: "Vietnam-India, a Symbol of Pure Friendship." He also praised the friendly relations between the two countries in struggle as well as construction, and expressed the Vietnamese people's determination to foster the evergreen and /word indistinct/ Vietnamese-Indian friendship. The army paper QUAN DOW NHAN DAN ran an article dealing with similarities in Vietnamese and Indian culture. Meanwhile, the HANOI MOI--NEW HANOI--reviewed the historic landmark in Vietnamese-Indian relations since the first visit to Vietnam by the late Prime Minister Jawaharlal Nehru in October 1954. /Text/ /Hanoi International Service in English 1000 GMT 26 Nov 85 BK/ 12228

GANDHI TO VISIT HANOI--Indian Prime Minister Rajiv Gandhi is due to arrive in Hanoi on Wednesday for an official friendship visit to Vietnam. He will be accompanied by Baliram Bhagat, minister for external affairs; Mr L. K. Jha, advisor of Prime Minister Rajiv Gandhi on administrative reform; Mrs Serla Agarwal, secretary of the prime minister; Mr Venkateswaran, secretary of the Ministry for External Affairs; Ms (Otima Bodira), deputy secretary of the prime minister; Mr Charekhan, deputy secretary of the prime minister; Mr Pushkar Johari, Indian ambassador to Vietnam; Mr Mani Shanker Aiyar, head of the Prime Minister's Office; and Mr Romesh Bhandari, secretary for external affairs.
/Text/ /Hanoi International Service in English 1000 GMT 26 Nov 85 BK/ 12228

VNA ON DELEGATION'S VISIT--Hanoi VNA 23 November--A delegation of the Supreme Court of the USSR led by its Chairman V.I. Terebilov, who is also alternate member of the CPSU Central Committee, paid a visit to Vietnam from 14-22 November. While here, the delegation paid a tribute at the Ho Chi Minh mausoleum, visited the late president's home and office and the Lenin monument. It had working sessions with the Ministries of Interior and Justice, the supreme people's Organ of control and toured Hanoi, Ho Chi Minh City, Dong Nai Province and the Vung Tau-Con Dao Special Sector in the south. Talks were held between the Soviet delegation and a delegation of the Vietnam Supreme People's Court led by its President Pham Hung, also alternate member of the CPV Central Committee. The two sides exchanged experiences in their work and signed a protocol on the measures to be taken to implement the agreement on strengthening their mutual cooperation and assistance in the 1986-90 period. The Soviet guests were received yesterday afternoon by Chu Huy Man, Political Bureau member of the CPV Central Committee and vice president of the State Council. [Text] [Hanoi VNA in English 1547 GMT 23 Nov 85 OW] /12232

U.S.-USSR SUMMIT RESULTS WELCOMED--The world public continues to welcome the results of the Soviet-U.S. summit in Geneva. United Nations Secretary General Javier Perez de Cuellar; French President Mitterand; and prime ministers of Canada, Denmark, Japan, and Austria; and general secretaries and presidents of the Communist Parties of Britain, Italy, and the PRC highly valued the contributions made by Soviet Party General Secretary Gorbachev and U.S. President Reagan at the summit to mutual understanding and the improvement of international relations. [Text] [Hanoi International Service in English 1000 GMT 24 Nov 85 BK] /12232

TRIBUTE TO UN AGENCIES--Hanoi VNA 24 November--Addressing the meeting of the Second Committee of the United Nations (economy and finance), Vietnamese delegate Nguyen Xuan Ang, on 29 November 1985, highly valued the important role and active contributions of the specialized agencies of the United Nations to the practical development activities, especially with regard to the developing nations. He praised the generous and timely aid of the international community as well as other organizations of the United Nations to the countries suffering from natural calamities, including Vietnam. He particularly paid tribute to the UN agencies and individual donor countries for their emergency relief to the storm victims in Binh Tri Thien Province. Nguyen Xuan Ang reaffirmed that Vietnam would further strengthen its close cooperation with the international organizations. He said Vietnam welcomes and will actively take part in the "Save Our Children" Campaign sponsored by UNICEF. [Text] [Hanoi VNA in English 0724 GMT 24 Nov 85 OW] /12232

INDONESIAN ENVOY BIDS FAREWELL--Hanoi VNA 26 Nov--Indonesian Ambassador to Vietnam Pudjo Prasetyo today paid a farwell visit to National Assembly Chairman Nguyen Huu Tho before his departure for home for a new mission. The Vietnamese leader had a cordial conversation with the Indonesian diplomat. Deputy Head of the Office of the National Assembly and of the State Council Le Trang was present on the occasion. [Text] [Hanoi VNA in English 1509 GMT 26 Nov 85 OW] /12228

FIRST FLIGHT FROM MANILA--Hanoi VNA 27 Nov--The first flight of the Philippine Airlines from Manila landed at Tan Son Nhat Airport in Ho Chi Minh City on Monday morning. This was a technical flight to prepare for the official inauguration of the regulation Manila-Tan Son Nhat air link on 25 January 1986. There have been four flights from Tan Son Nhat to Manila in November. Two more flights on each side are scheduled for December. [Text] [Hanoi VNA in English 0706 GMT 27 Nov 85 OW] /12228

PARTY ACTIVITIES AND GOVERNMENT

TO HUU ADDRESSES DISTRICT BUILDING CONFERENCE

OW260757 Hanoi VNA in English 0727 GMT 26 Nov 85

/Text/ Hanoi VNA 26 Nov--A conference was recently convened by the party and government district-building committee to sum up experiences in this work in norther Vietnam, except the mountainous regions.

This is the fourth such conference in the past 3 months.

The conference took stock of the development of agricultural production including food crops and industrial plants and stockbreeding. All districts under the program have become self-sufficient in food and have increased their food deliveries to the state. Many good examples of intensive cultivation have emerged. Hai Hau District in Ha Nam Ninh Province, in spite of harsh weather conditions, produced more than 8 tons of paddy per hectare in a year. Dan Phuong District in Ha Son Binh Province got more than 10 tons. Many districts have expanded the acreages under subsidiary food crops and short-cycle industrial plants by practicing intercropping or double-cropping.

Whenever possible, the districts have combined agriculture with forestry, fisheries, industry and handicrafts.

Under the motto "the state and the people join efforts" the districts have procured new pumping stations, built small hydroelectric power stations, roads, bridges and public utility projects.

Addressing the conference To Huu, Political Bureau member of the Party Central Committee, vice chairman of the Council of Ministers and head of the Central District-building Committee, said these inspiring achievements are due to the creative implementation of the party's economic policy and the harmonious combination of the three revolutions at the district level.

The results achieved so far have demonstrated the great potentials which remain to be tapped with a view to socialist industrialization.

The urgent task is to redistribute the population at the district level and in the whole country, through the transmigration of part of the population in overpopulated areas to new economic zones in the mountains and highlands.

/12228
CSO: 4200/308

PARTY ACTIVITIES AND GOVERNMENT

QUAN DOI NHAN DAN MARKS 35TH FOUNDING ANNIVERSARY

BK200515 Hanoi NHAN DAN in Vietnamese 20 Oct 85 pp 1, 4

[Text] In Hanoi yesterday [19 October] the editorial staff of QUAN DOI NHAN DAN newspaper held a solemn get-together to mark the 40th anniversary of the paper QUAN GIAI PHONG and the 35th anniversary of its successor, QUAN DOI NHAN DAN, which were founded in 5 August 1945 and 20 October 1950 respectively.

Attending the function were Hoang Tung, secretary of the CPV Central Committee; Senior General Hoang Van Thai, member of the party Central Committee and vice minister of National Defense; Lieutenant General Dang Vu Hiep, member of the party Central Committee and deputy head of the Political General Department; Vu Mao, member of the party Central Committee and first secretary of the Ho Chi Minh Communist Youth Union.

Also attending the function were Lieutenant General Le Quang Hoa and Lieutenant General Vu Xuan Chiem, vice minister of National Defense; Colonel Generals Nguyen Quyet and Hoang Minh Thao; representatives from general departments of the Ministry of National Defense, commanders and deputy commanders of military regions, army corps, armed services and branches; and representatives of military academies, schools, and units of the entire army.

Attending the get-together were also representatives of various ministries, sectors, branches, mass organizations, agencies; representatives of the Hanoi Municipal People's Committee; editors in chiefs of NHAN DAN and TAP CHI CONG SAN; head of the Vietnam Radio and Television Commission, representatives of the Vietnam News Agency and the Vietnam Journalists' Association, and other comrades of central and Hanoi newspapers.

Participants to the function listened to the reading of the Council of State Chairman Truong Chinh's letter to cadres and personnel of the QUAN DOI NHAN DAN editorial staff.

Major General Tran Cong Man, editor in chief of QUAN DOI NHAN DAN reported on 35 years of struggle and building of QUAN DOI NHAN DAN. He stressed that the orientations and targets of QUAN DOI NHAN DAN in the present revolutionary stage were aimed at improving its role as the voice of the Armed Forces and at maintaining the confidence and love of the readers in the army and other circles.

On behalf of the Political General Department, Lieutenant General Dang Vu Hiep commended QUAN DOI NHAN DAN for its efforts during the past 35 years and sketched out its tasks in the days ahead. He expressed sincere thanks to various comrade leaders of the CPV, the state, army, sectors, organizations, and units for their close attention to and sympathy for the development of the press in the army and to QUAN DOI NHAN DAN in particular.

Comrade Hoang Tung, on behalf of the party Central Committee Secretariat, warmly commended QUAN DOI NHAN DAN for its contributions during the past 40 years since the founding of its predecessor, QUAN GIAI PHONG. He recalled the very great happiness and pride of QUAN DOI NHAN DAN in having received from esteemed President Ho Chi Minh the directive for its establishment, and expressed its gratitude for the close attention given by President Ho Chi Minh and other leading comrades. He reviewed the factors leading to the success of QUAN DOI NHAN DAN which included the party's clear-sighted leadership, the brave struggle of the army and people, and the efforts of the cadres, correspondents, personnel, and combatants of the editorial staff. He said that most importantly the paper must firmly grasp the party's political line and pay close attention to the people's Armed Forces and the people's life and brave struggle. He sketched out great tasks for the entire army and people in the days ahead. He pointed out that QUAN DOI NHAN DAN must act as a persisting voice in strengthening national defense, consolidating the people's Armed Forces, defending the socialist fatherland, and foiling all the enemy's short- and long-term wicked and dangerous schemes.

Comrade Hoang Tung urged QUAN DOI NHAN DAN to strive to satisfactorily carry out its main task of serving the people's Armed Forces and meeting the people's objectives.

On this occasion, many organizations, units, and foreign press and news agencies based in Hanoi have sent congratulatory messages to or visited the QUAN DOI NHAN DAN office.

/9/99

CSO: 4209/103

PARTY ACTIVITIES AND GOVERNMENT

PROVINCIAL COMMITTEE OBSERVES LAO NATIONAL DAY

BK191403 Hanoi Domestic Service in Vietnamese 2300 GMT 17 Nov 85

[Text] A solemn ceremony was held in Lai Chau City recently by the Lai Chau provincial party committee, people's committee, and VFF committee to mark the LPDR's 10th national day--2 December 1975-2 December 1985--and to welcome the visit to the province by a delegation of the party committee and administration from the Lao sister province of Phong Saly.

Comrade Lo Van Inh, chairman of the provincial people's committee, delivered a speech pointing out the tradition of unshaken and brilliant solidarity between the two nations of Vietnam and Laos in general and between the peoples of the two provinces of Lai Chau and Phong Saly in particular. Comrade Lo Van Inh also spoke highly of the achievements recorded in all fields by the fraternal Lao people in Phong Saly over the past 10 years, and laid particular stress on the Phong Saly people's unshaken solidarity with and active assistance to Lai Chau Province in its struggle for national construction and defense.

On this occasion, the delegation of the Phong Saly provincial party committee and administration also worked with the comrade leaders of Lai Chau Province and visited the (Chan Lua) sugar mill and Muong Lay and Dien Bien districts.

/9599

CSO: 4209/103

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

SOCIALIST PARTY HOLDS MEETING--Hanoi VNA 25 November--The Central Committee of the Vietnam Socialist Party (Fourth Congress) has held its enlarged meeting to discuss the latest developments at home and abroad and review the party's activities since early this year. The participants warmly acclaimed the Soviet Union's untiring efforts in preserving world peace and voiced their strong support for the resolutions adopted at the Eighth Plenum of the Communist Party of Vietnam Central Committee (Fifth Congress). They also heard the report on the party's activities. [Text] [Hanoi VNA in English 0714 GMT 25 Nov 85 OW] /12232

NEWSPAPER OFFICE VISITED--On 20 October, Senior General Chu Huy Man, member of the CPV Central Committee Political Bureau and head of the Political General Department, visited the office of the army newspaper QUAN DOI NHAN DAN on the commemoration of its 35th founding anniversary. Accompanying the senior general was Lieutenant General Nguyen Nam Khanh, member of the party Central Committee and deputy head of the Political General Department. Editor in Chief Major General Tran Cong Man, comrades of the editorial staff, and other cadres and personnel warmly welcomed Senior General Chu Huy Man. [Text] [Hanoi NHAN DAN in Vietnamese 21 Oct 85 p 1] /9599

CSO: 4209/103

NIHAN DAN SAYS SOME BUSINESSES HAVE RAISED PRICES TOO STEEPLY

HK190544 Hong Kong AFP in English 0532 GMT 19 Nov 85

[Text] Hanoi, 19 Nov (AFP)--The prices of a number of industrial products and services have risen too steeply since the introduction of economic reforms, causing public discontent over a drop in the standard of living, the communist party daily NIHAN DAN has said.

Businesses were ordered to raise prices to a "realistic" level to balance their books after the withdrawal of government subsidies earlier this year, but some of them have allowed prices to rise too steeply, the daily said in an editorial yesterday.

However, others had succeeded in bringing their prices down by improved management, the newspaper said, quoting the example of industries and transport companies in the south, whose prices were "half or a third those fixed by the state."

The editorial urged businesses to weed out "useless products, overmanning, waste and fiddles" in a bid to reduce production costs, but acknowledged that it would be a "long and difficult struggle."

By no means all company managers had the necessary managerial ability and there was also the problem of "habits, thoughts, and negative behaviour" inherited from the former subsidised system.

Steep price rises in some state services and enterprises have caused widespread resentment and serious problems for some businesses, observers said here.

/9274

CSO: 4200/265

ARTICLE CASTIGATES LOW SELLING PRICE OF COAL

Hanoi LAO DONG in Vietnamese 12 Sep 85 p 4

[Article by Nguyen An Dinh and Tran Quynh: "Selling Price of Coal and Wages of Miners: False Prices: the Chicken Kicks Away a Ton of Coal; False Business: the Greater the Production, the Greater the Loss of Capital, the Higher the Over-fulfillment of Norms, the Greater the Loss; Why Is the Coalworker's Income Low? Let Us Be Even More Attentive to the Life of the Mineworker and Mine Drivers"]

[Text] The coal sector is a key economic sector. Coal is energy from energy. Coal is the bread of industry. Coal is black gold. For many years now we have placed a great deal of emphasis on the importance, role and position of the coal sector in the country's economy. Indeed, the state has stressed priority investment in the coal sector. Many new mines have been built and a succession of modern mining equipment and motorized vehicles has been put into use. Many procedures and policies have been put in force with a view toward gradually clearing up difficulties in coal production and showing concern for the life of the miner. Clearly accepting their role and responsibility, ranks of mine cadres and mineworkers are also constantly seeking ways to turn the situation around. In the difficulty, many coal sector enterprises still resolutely seek new ways to operate and demonstrate a sense of dynamics in production organization and life. So far, however, the entire sector's production results are not commensurate with the effort expended, the existing material and technical base nor the expenditures and are still far from satisfying expectations. Surrounding the hold-ups, standstills, even the setbacks of the coal sector at various points in time, a number of plausible causes have been pointed out. At one point one cause surfaces as a current problem; at another, a different one becomes the main headache. Present at all times is a cause with with growing complications and increasingly pronounced negative impact. This is setting the selling price for coal too low and, along with it, the ever-declining real income of the miner.

The selling price of coal used to be built on the argument that coal is basic material energy from energy, so it must sustain losses for other sectors to profit. Another important thing has been keeping the price of coal stable by all means possible to avoid upsetting the price base for many other economic sectors. Consequently, a ton of the best lump coal has been sold at a price equal to the price of 20-22 kilograms of rice and a ton of slack for the power sector has only been equal to the price of approximately 10 kilograms of rice. This is the selling price figured according to the material wholesale selling

price. For sales to other economic sectors according to the industrial material sale price, the coal price would be equal to only approximately 70 percent of the material wholesale price. If sold to basic enterprises, the selling price of coal is equal to only 50 percent. One also should be aware that since 1954, this selling price system also has had to apply to both loose and panned coal collected entirely by manual labor as the result of secondary production.

Thus, hard as it is to understand, they have figured that the price of a ton of coal is equal only to the price of a chicken. A chicken strong enough to kick away a ton of coal! With such a price structure, the manager in the mine does not know and usually has no need to know what the selling price of coal is. Outside the selling price of coal prescribed only for formalized accounting, and sector enterprises also are prescribing another type of price called the fixed price for calculating the value of gross output. This type of price is also dozens of times lower than the selling price. The two types of prescribed prices are not connected with each other, thus often creating the opposite effect of using one to analyze production and business operations. There are five enterprises which reached or exceeded the value of gross output, output was high, production costs were lower, but the result was either fewer profits or losses. Profits and losses, the result of a more and more fictional formal accounting process. Of course, such a low selling price and fixed price so far takes no value cannot and, indeed, is not considered to be the starting point for distributing benefits and calculating wages and bonuses.

Such a production, business and price situation has been maintained over many years until the coal sector faces a crisis due to serious imbalance it is incapable of overcoming. So far, in the bureaucratic and subsidy structure, enterprises in the sector have been trying hard to make ends meet. The more enterprises have produced, the greater the loss of capital, the higher they have exceeded norms, the greater the losses. Clearly these are false losses, the result of a false accounting process due primarily to setting the selling price in a fictitious way and substantially lower than production costs and the true value of the product. In this situation, for several years now enterprises in the coal sector have, despite support and very considerable effort, not been strong enough to concern themselves with balancing and solving immediate problems, in essence fire fighting, utterly incapable of solving the huge imbalances existing over numerous years in their production line.

For economic sectors in which coal is broad, the production and business situation is favorable, the product cost is low, and large profits are usually obtained because coal is bought at too cheap a price. Also because of buying at a low price, the coal user never gives any thought to applying measures to conserve coal. A number of scientific and technical projects aimed toward economizing and fully utilizing coal are not carried out urgently also for this reason. For several years recently, domestic coal needs have been increasing more and more, coal for export has been declining, and the source of foreign currency from coal has fallen. Meanwhile, economic sectors buying coal at domestic prices and making goods for export are increasingly obtaining large profits. With this phenomenon alone it is enough to state that the coal sector has "multiplied" its losses with its selling price.

Therefore, clearly the heavily subsidized selling price of coal has caused and is causing the coal sector difficulty and disruption in many respects, making it unable to control itself in production and business and incapable of financing itself in the immediate future and in preparation for the long term. The low selling price of coal also covers up a fact -- the economic benefit of the coal sector has been and is being shared unreasonably with many other economic sectors. Indeed, it is unfair not to add that simply because of setting the selling price too low the coal sector has become a heavy burden for national finances and ranks of hard-working miners are becoming an extensive burden to the local administration where they work.

Along with the subsidized selling price, wages -- one of the important economic levers -- also have caused and are causing many difficulties and are hindering the production capability of the mineworker.

We first of all should acknowledge that, with proper emphasis, the wages of the mineworker (consisting of wages and subsidized items in wage funds) have been placed at the highest level in the wage system in our country. Although not completely typifying the special characteristics of the mineworker (working on shifts outside in all weather; working at heights; spending time traveling to and from home; no tenure; etc.), the wages of the miner were relatively rational at first. The noteworthy thing was that, because of the difficult situation and the special characteristics of the profession, the income of the miner had irrational reversals -- the wages of the miner are considerably lower than other economic sectors. In March 1983, the Ministry of Finance conducted a study to clarify this observation. At the time the study was conducted the average monthly wage of a miner in the Hon Gai Coal Corporation was 425.40 dong and in that Corporation 3, 277.60 dong. Meanwhile, the average income in the industrial knitting enterprise was 519.60 dong; in the Ha Nam Cigarette Enterprise, 465.90 dong; in the combined paint enterprise, 484 dong; in the Hui Giang Chemical Enterprise, 448 dong. Also at that time, according to data from the Ministry of Labor, the average income in the Saigon Brewery was up to 1,422 dong. Thus, in the disturbance and because of the special characteristics of the profession, the wages of the miner have dropped to the bottom row.

This is looking outside. Looking within the sector, the most noteworthy phenomenon is determining planned wage funds and earned wage funds for production installations over a long period primarily relying on the number of people in the table of organization and the rank of the worker and the tendency toward income adjustments among enterprises. This method of determining wage funds has unintentionally encouraged a propensity in enterprises toward accepting low plans and having more and more labor, having increasingly higher wage funds, using labor in a wasteful manner, and discouraging increases in labor productivity. Also following this way of thinking, when production drops they will request the higher echelon to make adjustments, will request more wages, and will request additional subsidies to guarantee income, the result being that the hard-working person and the laggard in the good enterprise as well as in the poor one will have about the same level of income!

Another phenomenon worth noting in the wages of the miner currently is that the portion stipulated for distribution amounts for the larger percentage, on average,

Here is an example: Mr. Do Tien Dung, a grade 6 shaft worker from the Vang Danh coal mine, had an average income of 8,088 dong, which included 2,134 dong in price offset money, 1,598 dong under differential systems, 2,500 dong in child subsidy, and only 1,456 dong in wages. Also, in the case of a family, a grade 4 worker will earn only 430 dong less than a grade 6 worker. Obviously, with the income component averaging like the above the laborer needs only to show up at work to receive the main portion of income and does not have to be overly concerned about labor results.

Finally, we also must be aware of a widespread phenomenon currently: the bonuses in the wage fund frequently equal or exceed the main wages. This would seem to be harmless, but it is a factor lessening the significance of the main wage portion and discouraging the payment of wages in products. As a result, it also reduces the effect of encouraging the laborer to continually achieve high labor productivity in daily work.

Implementing the large and comprehensive adjustment in prices-wages-money in accordance with the Party Central Committee's Resolution 8, the basic requirement is to resolutely abolish the bureaucratic-subsidy management structure for the coal sector and involve it truly in economic accountability and socialist business. What must be done immediately is to establish a rational selling price for coal. This selling price must reflect all of the real production expenses. In a situation in which the production costs of the mining sector are tending to increase more and more each day, there should be a suitable hedge in the new selling price. In the new price, attention also should be given to figuring the price of import and export supplies in a ton of domestically-consumed the entire tax for natural resources reserved for the consumer.

Regarding the wages of the miner, surely the state agency preparing to improve prices and wages has given the proper attention to resolving the many existing problems. We only ask that further attention be given to following the aspirations of the mineworker -- that the wages of the miner also must be a factor linking over the long term the laborers and their children with this strenuous, hazardous and dangerous profession. In particular, let us give even more attention to ranks of miners and mine drivers having large loads. These are the people who deserve to receive special care from society because of their arduous profession, because of their courage, and because they bear the main burden in producing a lump of coal for our country.

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CSO: 4209/41

ECONOMIC PLANNING, TRADE AND FINANCE

SRV ECONOMIC REFORMS TO DEAL WITH PROBLEMS

Moscow MIROVAYA ECONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 9, September 1985, pages 79-89, carries an article by M. Isayev entitled "Socialist Vietnam--40 Years of Struggle and Building" which examines recent economic reforms in the Socialist Republic of Vietnam. For the text see the JPRS USSR REPORT: WORLD ECONOMY AND INTERNATIONAL RELATIONS, JPRS-UWE-85-013, of 18 November 1985, pages 44-55.

/9365

CSO: 1816/1

AGRICULTURE

BRIEFS

NORTHERN PROVINCES' WINTER MAIZE--Hanoi, 14 Nov (VNA)--Agricultural cooperatives in northern provinces have so far planted nearly 4,000 additional hectares with winter maize, bringing the total in the north to 25,000 hectares. This represents a 24 percent increase over the same crop last year. Particularly, Ha Nam Ninh Province has topped its plan by 16 percent and expanded its maize area 9-fold compared with the previous crop. Meanwhile, collective farmers in Vinh Phu Province have achieved the record figure of nearly 5,000 ha, up by 2,000 ha over the last winter crop, and maize growers in Vinh Lac District, Vinh Phu Province, has put some 1,300 ha under maize. The province of Ha Bac has expanded its area to 2,500 ha, up 2.5-fold over last year's crop. [Text] [Hanoi VNA in English 0716 GMT 14 Nov 85 OW] /9274

STATE FARMS' PRODUCTION--Hanoi, 15 Nov (VNA)--Four hundred forty-one state farms have been set up in the country so far in addition to thousands of agricultural cooperatives and production collectives. The personnel of these farms has risen to 300,000 cadres and workers and the area under their management covers 1,000,000 hectares. They have reclaimed 350,000 hectares of waste land and put them under food crops. These farms have been equipped with 3,000 tractors, 300 electric generators, 60 big and medium-sized repair and maintenance shops, and nearly 100 food-processing mills. Besides, they are raising 115,000 cattle and 200,000 pigs. Their products are chiefly for export or used as materials for local industries and handicrafts. Annually, they have turned out 15,000 tons of coffee, more than 55,000 tons of tea bud, 50,000 tons of dried rubber latex, more than 200 tons of hot pepper, 65,000 tons of fruit, 100,000 tons of food, hundreds of thousands of cattle and poultry, and 6,000 tons of fresh milk. [Text] [Hanoi VNA in English 0705 GMT 15 Nov 85 OW] /9274

CITRONELLA IN MOUNTAIN AREAS--Hanoi, 14 Nov (VNA)--In the first 10 months of this year the northern border province of Ha Tuyen covered 650 ha with citronella for export on its newly-reclaimed land, topping its yearly plan by 8 percent and last year's figure by 57 percent. Average yield is 65 tons per hectare and 1 hectare of citronella can give 30 kg essential oil. Seven cooperatives are specializing in citronella growing and six others are practicing inter-cropping of citronella with sugarcane or tea. The Foreign Trade Service has provided new high-yield seed originating in Java (Indonesia) which is tolerant to drought and pest and equipped the cooperatives with nearly 100 sets of distillation equipment with capacity ranging from 750 to 800 kg of citronella leaves a batch. It also helps the coops practice new technical methods of growing and processing citronella to increase both its output and quality. [Text] [Hanoi VNA in English 0738 GMT 14 Nov 85 OW] /9274

HEAVY INDUSTRY AND CONSTRUCTION

DAU TIENG HYDROPOWER PROJECT NEARS COMPLETION

Hanoi QUAN DOI NHAN DAN in Vietnamese 19 Aug 85 p 1

[Article by Nguyen Cac: "The Dau Tieng Hydropower Project"]

[Text] In the Duong Minh Chau War Zone in Tay Ninh the largest hydropower project in our country has been built: the Dau Tieng hydropower project.

The project was officially begun on 29 April 1981, with total capital of nearly 1 billion dong. Our country's water conservancy sector surveyed, designed, and constructed the project, along with the contributions of the people of Tay Ninh.

Tay project consists of a main dam across the Saigon River that is 1.1 kilometer long and nearly 30 meters high, a 29-kilometer-long secondary dam, two main canals--the eastern and western--nearly 90 kilometers long, hundreds of class 1, 2, and 3 canals, and 80 installations on the canals. The project stores 1.45 billion cubic meters of water, creates a lake with an area of 270 square kilometers, and provides irrigation water for more than 172,000 hectares of land in Tay Ninh Province and about 20,000 hectares in Ho Chi Minh City to transform unstable one-crop areas into stable two-crop areas.

To build that project the cadres and workers of the water conservancy sector had to excavate 100 million cubic meters of earth and rock, poured 500,000 cubic meters of concrete, and laid 600,000 cubic meters of paving rock.

The project has only been essentially completed and the system of canals, ditches, and installations on the canals are still being completed. Beginning with this year's summer-fall season the project was used to irrigate nearly 25,000 hectares of land in Tay Ninh, more than a year earlier than planned. The construction site is going all-out to complete the entire project by 1987 and bring it into operation.

5616

CSO: 4209/36

HEAVY INDUSTRY AND CONSTRUCTION

HANOI YOUTHS FIND SUCCESS IN COAL MINING

Hanoi TIEN PHONG in Vietnamese 17-23 Sep 85 p 8

[Article by Thuan Viet: "Hanoi Youths Produce Coal"]

[Text] Perhaps many friends are surprised about the delightful news: Hanoi youths are producing coal for export. In the first 6 months of 1985, the coal enterprise bearing the youth name produced nearly 3,250 tons of coal, 54 percent of the annual plan. Their product brought to the capital an exceptional amount of foreign currency and a source of fuel (slack) to provide to the people and production installations.

The average income of each person producing coal reached 1,400-1,500 dong per month (not counting price offsets) and, for skilled laborers, 2,500-3,000 dong per month. In particular, Nguyen Nhu Pha (Unit 5) attained nearly 4,000 dong in June.

The encouraging thing, however, does not stop with the figures! The capital's young friends still recall the first days of 1984, when all the wards within the city and the four districts on the outskirts (Thanh Tri, Gia Lam, Tu Liem, Dong Anh) launched the youth drive to mine coal.

On the land of the Coc 6 mine (Quang Ninh) there have long been dumps where one can pick and choose lump coal and slack. With state approval and the assistance of Quang Ninh, Hanoi has had a worksite to mine coal here since 1979, each year collecting several thousand tons of coal. But because there were no specialized labor forces, work had almost come to a halt by October 1983.

The drive to organize assault youth labor, undertaken by the Hanoi Municipal Youth Union, is aimed at clearing up this difficulty. Exactly on the 30th anniversary of the Dien Bien Phu victory, the capital's first assault youth unit departed for the mine. In this group, alongside the assault men and women following the call of the union "the youths are where needed," there were friends going only because they eagerly desired to know about the fatherland's black gold region and wanted to gaze upon the Ha Long scenery every day; there were even friends who, for personal sad stories or no desire to sponge off parents after more than 10 years of hard study, had not gone to college. And all more than once stepped on the coal stratum, were confused and overwhelmed at all the work, and many quit. But most stayed, and this tightly-organized unit was "able to put out work." Their labor

productivity gradually increased from 30 kilograms to 70 kilograms, 80 kilograms, then 100 kilograms per person per day. However, the contract work method proved unsuitable. Side A (the coal mining corporation) refused responsibility for taking care of the laborers' life. And Side B (the annual youth general unit), like a "hired" worker "laid hand and foot," could not take care of it. So, the men and women lacked enthusiasm.

The coal mining enterprise bearing the youth name, with engineer Nguyen Van An, member of the standing committee of the Municipal Youth Union, serving as director, came into being, opening up new emulation fervor. The enterprise has been officially in operation since February 1985. At the same time, it has had to "run" from hoes and shovels to gloves, work clothes and shoes for "combatants." Then it has had to organize production while simultaneously building restrooms on the coal stratum, building four more wells, five bath houses, and five washrooms, rearranging the entire power network for daily operations, etc. An enterprise with nearly 400 people has, in just several months, spent nearly 1.3 million dong on projects to support daily life (as well as production). This overall care and the collective ownership spirit of the youths has been remarkable. Thanks to this, the production results for the 3 months of the second quarter (when production had gotten on track) are very commendable: the enterprise's norm is 7,000 kilograms per person, and there have been 18 "10-ton champions." This includes six friends (Danh Tien Trung, Nguyen Tai Thanh, Chu Thi Ho, Nguyen Dien Thap, Nguyen Tai Hong, and Duong Thi Chien) who have reached between 14,300 kilograms and 17,000 kilograms. How novel and proud as are upon meeting the friends who left classroom chairs saddened at failing college examinations, friends who "went all day long in makeup," friends who were "frail," "painted at," etc., in the ranks of the "10-ton champions."

The enterprise has made profits. Compared with the first days, the material and spiritual life of the young friends has been better cared for. Along with achievements in production and building life, in less than one full year 50 young friends have joined the union, 28 superior union members have been introduced to the party by the union, and one member has become a party member. The ranks of young management cadres are learning more and more about conducting work along economic accountability and socialist business lines. Director Nguyen Van An, who likes to "break down barriers" to give money for meals on the stratum (15 more dong per person for each meal) in order to add 11,000 dong in profits each day. He is very bold in bonuses for "exceeding contracts" yet also in discipline with anyone who does not adhere to discipline. The apical leader, the platform leader, all know how to do economic calculations, not just the director. They very clearly understand: if the enterprise produces 20 tons of coal a day, its profit will be 10,000 dong; at 30 tons, 20,000 dong in profits. Conversely, production under 15 tons per day is a loss, and from that, each person clearly understands what the product must be for 1 day, 1 week, 1 month, etc., to have high wages and bonuses.

The most valuable capital -- the person has matured in many respects -- obtained at the outset is opening up new capabilities for boosting labor productivity. And this is principally the basis for them to raise to 12 tons the third and fourth quarters' "champion" standard and for the entire enterprise to put forward the new objective: struggle to exceed the annual plan norm by 20 percent or more.

The reality of the Hanoi youth coal enterprise has increased the confidence of the people in the economic management capabilities of the youth. And also from this, Hanoi youths are more self-confident and willing to take on another project to enrich the capital on mine land: to develop in the years to come a coal mine bearing the youth name with an output of 300,000 tons per year.

6019

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TRANSPORTATION AND COMMUNICATIONS

BRIEFS

MAI LING BRIDGE OPENING--Hanoi, 13 Nov (VNA)--The Mai Ling Bridge spanning Day River on Highway No 6 and linking Hanoi with the northwestern provinces was opened to traffic yesterday. It is the fifth biggest inaugurated this year. The bridge is 170.3m long and 8m wide. Present at the inaugural ceremony were representatives of the Ministry of Transport and Communications and the provincial party and people's committees of Ha Son Binh Province, and others. [Text] [Hanoi VNA in English 0731 GMT 13 Nov 85 OW] /9274

CSO: 4200/265

TUONG LAI REVIEWS LE DUAN'S BOOK, 'LETTERS TO THE SOUTH'

Hanoi THONG TIN KHOA HOC XA HOI in Vietnamese Apr 85 pp 8-14

[Article by Tuong Lai: "Reading Le Duan's 'Letters to the South' (Hanoi, Su That Publishing House, 1985) -- Some Dialectical Thoughts About Human Development and Strength"]

[Text] Unlike the metaphysical way of thinking, the dialectical way of thinking recognizes things in their movement and development. It thus foresees the trend of their progress even before they fully show themselves or really become themselves, rather than waits until they reach the highest form of development before making a judgement about them. However, things do not always develop in accordance with our anticipation. The author of "Letters to the South" (Hanoi, Su That Publishing House, 1985) knew that fact. He affirmed, "We do not always correctly foresee the development of things, but we have the ability to control the situation, for everyday we are still directing the resistance on the basis of the laws of revolutionary war that we have mastered and at the same time on the basis of the enemy's designs that we have correctly judged" (p 146). He emphasized that "the basic thing is for the leaders to be always sure of themselves, to go in the right direction and to know very positively and very clearly the situation" (p 50).

In the "thinking about the road taken by the revolution in the South" (p 31) of the man, "in the past as well as at present, responsible for making recommendations about this matter" (p 31) from the early days of the resistance against America until the decisive periods of "the last strategic battle of our army and people" (p 386), we get to know the power of a dynamic thinking process that was closely attached to the objective development of realities and anticipated the trend of the latter so as to be able to foresee possibilities and to recommend policies and measures. As we read "Letters to the South," we note that the one idea that unified and persisted through all of the strategies and tactics in the most outstanding way was that of being actively on the offensive. We wonder whether this idea of being actively on the offensive originated from the revolutionary view and the awareness of the fact that knowing how to

develop the dynamic quality of man would affect the objective development of things. To be attached to realities, to get to know at any cost the logic of their movement required the dynamic thinking to keep pace with the things that were taking place, but not to see them as separate events and instead as part of a whole that was moving, changing and developing so as to find the inherent relationship of such movement and development. On the other hand, to be dazzled by what was intuitionally observed while recognizing events would mean to fail to know the true nature of their movement, changing and development under actual conditions. A leader thus must be somebody who could see the things that many other people still failed to recognize. As we read "Letters to the South," we feel and recognize in a profound and lively manner the effective application of the dialectical method to getting to know the realities and realistically leading the revolution.

Le Duan affirmed, "Whether the revolution succeeds or fails, in the end, is determined by the balance of power. As we consider this balance of power, we must consider the overall results of all the material and spiritual factors and the political, military, economic and cultural forces that each side uses to fight the other side. It is not an abstract but rather concrete process; it is not a fixed ratio but a changing balance, the result of the dialectical development, both quantitative and qualitative, of the above-mentioned factors and forces" (p 177).

Thoroughly understanding the principle of development, he always reminded people that they had to "seize any opportunity" and "always know and keep pace with the situation, particularly the events that can lead to turning points in the war" (p 146). Putting things in their overall relationship and recognizing the inherent relationship in their movement, he asserted that consequently "to speak about the revolutionary force means to think about not only the force that is available, the force that we have built, but also the force that is created in the struggling process, as well as any weaknesses, mistakes and contradictions within the enemy ranks that we can exploit and take advantage of in order to increase our own strength" (p 177). He especially reminded leaders of the movement that they had to be extremely sensitive and keen as to knowing the periods of unexpected changes of the situation and the "turning points," for those were the opportunities that would create a new situation or reverse a situation. "In the new turning-point situation of the war today, we need to clearly see the basic trend of development of the situation; to correctly assess the balance of power between us and the enemy; to clearly define the task, objective of combat and direction for attacks; to seize opportunities; to suggest correct policies; and afterwards to have very high determination" (p 243) to carry out our strategic intention. And once "The situation is quickly changing" and "The revolution in the South is entering the stage of leaping forward in its development" (p 383), it required that we "act in an extremely timely, resolute and bold manner" (p 386). Furthermore, "time is force" as "the

revolutionary war in the South not only has entered the stage of leaping forward but the opportunity for expanding the offensive and uprising in Saigon-Gia Dinh has also become ripe" (p 386). "To take action at this time is the surest guarantee of total victory. To delay action will not be beneficial, both militarily and politically" (p 386).

To seize an opportunity to act was a difficult thing to do, but even more important was to actively create opportunities, to foresee opportunities and to be ready to act in a timely manner when an opportunity would come -- that was the art of leadership. This art was the power of a dynamic, alert and resolute dialectical thinking aimed at fully understanding "the logic of things." Le Duan's analysis of the inevitable development -- America had to de-escalate and withdraw from the war -- in his letter sent to the Central Office in the South on 29 June 1971 was a highly persuasive model of judging the situation on the basis of the objective rule of development. He wrote, "The American imperialists committed aggression in Vietnam with a very great design and ambition and have been escalating the war. Their de-escalating the war and withdrawing from it, therefore, cannot be a simple process. But if they continue to be more deeply involved in the war, America will encounter myriad difficulties and complexities it can ever anticipate. Consequently, once its defeat reaches the point that it can no longer continue the war, America will be forced to withdraw from the war no matter how great the consequences of ending its aggression may be. These things seem contradictory to one another, but they are not beyond the logic of things. We need to clearly recognize the difficult and complex nature of the war so as to know how to fight and win it. We have known how to start it right and to fight it in the long term, then we must know how to end it right" (p 246).

Once we had fully understood "the logic of things," even while there were not enough data, we still could recognize changes at the time they were taking place. Naturally, this could be done only if we had a profound awareness of the movement of realities. In addition, the development process was that of new things appearing, not from their own existence but rather their nonexistence. In order to have new things, there should be a change in quality. Naturally, a change in quality should result from an increase in quantity, although once a quality was determined, it could still develop quantitatively within a certain limit. In order to determine the logic of things, naturally we could not solely rely on the current state of what was existing by direct observation, but rather recognize the entire process of their movement. As we read "Letters to the South," we regularly see emphasis on "clearly recognize the basic trend of the process," "before dealing with the problems ahead, (we) must look back at the development of the struggle" and "be fully aware of the road taken by the movement, as well as the stages of its development, in order to suggest appropriate needs and formula for the struggle."

Only by fully understanding the process of development, its basic trend and the stages of its development could we judge correctly and outline correct strategies and tactics.

"No matter in what way the situation develops, we still act totally on our own initiative" (p 360). To be able to take initiative was undoubtedly due to a dialectical understanding of development.

In spite of emphasis on "political struggle and armed struggle taking place simultaneously" (p 360), we should sometimes find that "from now on the armed struggle moves to playing a more and more decisive role" (p 42) (letter of 28 April 1961) and at the same time clearly understand that "as the war develops, at a certain point in time politics can become the principal factor leading to the destruction of the puppet army" (p 86) (letter of February 1965). Not to put things in any preset patterns, nor to consider any stages of the development of things fixed, stationary and rigid, but instead to put them in the entire process so as to profoundly understand their inherent relationship. The letter sent to the Central Office in the South in November 1965 was a typical example: "When (we) emphasize the 'local' nature" of the war being the new form and expression of the war that became more and more evident, we still had to correctly evaluate the importance of the remaining "special" nature of the war, for the latter was closely linked with American neocolonialism. From that analysis and observation we should "suggest the strategic guidelines and tasks aimed at thwarting America's political purpose and defeating its military force" (p 119).

Engels had once said that "the task of our thinking today is to trace the successive stages of development of this process through all of its gropings and to show its inherent rule in all of the chance happenings outside."^{*} The process that Engels mentioned here was the history of mankind. However, what he pointed out had a methodological meaning for the thinking activities of an object, penetrating his mind not only to explain but also to reform it. When it was not solely satisfied with explaining the world but also demanded reforming the world, the Marxist philosophy set for itself a new task, a new turning point in the history of thinking: to switch from passive and negative attitude to active and positive attitude. And this switching was possible thanks to the new historical conditions. The modern man should have the ability to act consciously, i.e., he could organize realistic movement by adhering to the logic of history, for the purpose of developing to the highest degree his subjective dynamic quality and acting in conformity with the law of movement of nature and society.

* Marx-Engels: "Selected Works," Vol 2, Hanoi, Su That Publishing House, 1971, p 158.

War was where the dynamic quality of man was tested in the fiercest and most decisive manner. However, how this subjective dynamic quality developed also depended on the nature of the war and the people taking part in it. In "Letters to the South" the general secretary offered a unique observation: "At the present time, as we talk about military power, the most noteworthy one is the power of nuclear war and the power of people's war. America's strength is its nuclear weapons, but it cannot use them. As to our own strength, it is in the people's war, which America does not have. By further developing this strength and the accumulated experiences we surely will defeat any aggressor, even the U.S. imperialists" (pp 102, 103).

The advantage of people's war was the fact that it could develop to the highest degree the strength of man in "a war being both military and political, taking place in the common form of uprising and offensive, and vice versa, combining mass uprising with revolutionary war and applying the appropriate mode of struggle in the three strategic regions. On the basis of thoroughly understanding the offensive strategy, the basic formula is to be masters to destroy, to destroy to be masters, to fight in the long term, to win step by step and to move toward scoring total victory" (p 367). We could develop to the highest degree the strength of man because "politically and spiritually speaking, we have already secured victory" (p 102). Here we talked not only about the good-cause nature of the people's war or the indomitable tradition of the nation but also about man being armed with the most progressive thoughts of our era. As a result, the good-cause nature of the war and the indomitable tradition of the nation were brought to a new quality level that our ancestors had never attained before. Naturally, any ideology by itself could not have strength. "In order to properly carry out any ideas, there must be people using a realistic force."* "The Vietnamese nation, the Vietnamese people were trained thousands of years ago, have been able to receive Marxism-Leninism..., with the Marxist-Leninist revolutionary ideas and our people's correct human conduct being combined into one and Marxism-Leninism being mixed with the nation's existing revolutionary tradition and becoming our national strength."** "The Vietnamese people's war today has inherited the tradition of resisting aggression and skills in the art of war of our ancestors" (p 367). "The Vietnamese people's war today is the total result of correctly applying the creative and correct revolutionary line and method that our party has suggested" (p 367).

* Marx-Engels: "Selected Works," Vol I, Su That Publishing House, Hanoi 1980, p 154.

** Le Duan: "About Building the New Culture, the New Socialist Man," Su That Publishing House, Hanoi, 1984, p 10.

Since he thoroughly understood the advantage of the people's war and knew how to develop it to the highest extent, even in the early days when the posture and strength of the revolution were almost crushed by the enemy's brute force Le Duan already pointed out that the advantage of its ultimate development would lead to a change in the balance of power in our favor and to the disadvantage of the enemy. When America was massively sending hundreds of thousands of troops to the South and carrying out bombings in the North, he still noted that "in Vietnam today, America is weak both politically and militarily" (p 98). "Therefore, even if America wanted to send over from 250,000 to 300,000 additional troops in order to turn the 'special war' into a 'local war,' it would not be able to win the fight for national salvation" (p 100) of our people. If we only took iron and steel to match iron and steel and only saw the strength of war in the numbers of troops, equipment and weapons without seeing the decisive factor that was man, we could never use the weak to fight the strong, take the few to resist the many, nor change posture and strength and move toward scoring a decisive victory. Since we clearly recognized that the decisive factor was man, our war had to be both military and political, to take place in the common form of uprising and offensive, and vice versa, and to combine mass uprising with revolutionary war. In different periods, there should be a thorough understanding of developing and positively and actively using "the strength of every person, every unit and every locality and the strength of the country as a whole" (p 368).

The factor that would determine victory in the war was man. Our enemy did not fail to know that fact. However, they were forced to rely on the power of iron and steel, weapons and technology because they were unable to exploit and fully develop the strength of man and were even more incapable of relying on his self-understanding and dynamic quality as they had failed to hide the lack of a good cause in their war. To carry on the war our enemy had to know how to mobilize the men who held weapons, but the strength that was created did not come from the active factor (nien) but from the passive factor (weapons) instead. The use of various tricks, such as bribery, persuasion, cheating or arousal of lust, the instinct of being brutal and mean, bestial behavior, and so on, could not create strength for the gun holders to fight a war without a good cause (perhaps there was strength in certain periods and under assumed conditions of the adversaries having been crushed and having lost their ability to fight back, but then, logically speaking, that strength would not need to be created at all!). And thus, on the side of our enemy, the state of being active became that of being passive. Seen in perspective and from the standpoint of development, they would certainly be defeated.

Naturally, as Le Duan pointed out, by saying what we said above we knew that "In the revolution in general, and in uprisings in particular, we cannot foresee all actual conditions and circumstances. There are conditions and factors we have thoroughly understood, but there also are conditions and factors that

we have not yet fully and accurately foreseen or still remain unknowns" (p 188). And that was why man's subjective dynamic quality would be required to be fully aware of facts, to make cool judgment and to find solutions in time, "and most importantly to have the determination to act" (p 188). Why? Because "in the course of action, we see things more clearly" (p 188). Just because we fully understood the dialectical approach that we had to have determination to act. The courage and energy of revolutionaries would come from strong belief in their action in conformity with the laws and from the scientific base of revolutionary methods. We could only understand the enemy when we directly confronted them in order to try to defeat them. To act -- that was the best way to touch the truth. A dynamic, dialectical thinking had to be one that had been hardened and tested in action. Engels once reminded us that "before people argue, they have acted. 'In anfang War die That' starts with action."* To create things would be the best way to understand them. That was why when he discussed "the realities in Hegel's conceptual theory," Lenin wrote, "The consciousness of man does not solely reflect the objective world, but also creates the latter," "which means that the world does not satisfy man and man decides to change the world with his action."**

The material realistic activities made up history, in accordance with the logic of history. With Marxism, this logic was discovered and actively exploited and used. The realistic activities or actions of the masses in daily life and throughout the length of history created the logic of history. However, they would not recognize it in time or could not recognize it if there were no vanguard combatants having discovered it, recognized it and returned it to the masses, its own subject. Under any circumstances, history developed in accordance with its logic and by an iron-like necessity. When the masses were aware of this logic, history would develop more quickly; therefore, there would be revolutionary periods when "a day is as long as 20 years." To create the posture and strength of the revolution actually was to create the endless source of strength being latent among the masses, "the great capabilities and force that we need and can mobilize in order to create the combined force to defeat" the enemy.

"People's war is undefeatable," particularly when we were able to exploit and develop the force of ownership of the masses who would rise up to decide their own fate. The force of collective ownership of the masses of working people created sudden and unexpected stages of development, which the enemy could not understand but were suitable for the dialectic of development, "suitable for Vietnam's historical and geographic situations and the Vietnamese people's characteristics and abilities."

* Marx-Engels: "Selected Works," Vol 2, Su That Publishing House, Hanoi, 1971, p 119.

** Lenin: "Philosophical Notes," Complete works, Vol 29, Progress Publishing House, Moscow, 1981, pp 228-292.

To apply the dialectical view on development to social life actually was to use the dialectical view on the strength of man, particularly the man who has understood himself in connection with his historical mission and was being aware of his ownership right.

With the proletarian revolution, a new era had begun, an era that was illuminated and guided by a new principle. This fact had been predicted by Engels: when the proletariat seized the social power and, thanks to the force of this power, seized the means of production of society and turned them into the possessions of society as a whole, it would make man "become master of his own social existence and hence, master of nature, master of himself -- become free man."*

A category thus appeared, as a "new phenomenon of history," "a new category that has not existed for thousands of years and only exists now."** That was the ideal of the era, i.e., the developing trend of reality, the goal that the masses were trying to reach. The leadership of the party, the light of the Marxist-Leninist ideology led the masses toward the principle of the era. To lead the masses, naturally, had to rely on their real knowledge but was not to be controlled and bound by that knowledge. The power of a progressive ideology and the role of leadership had to be seen here. The party had to raise the level of the masses up to the mission they were carrying out, and it was determined to do so because it strongly believed in the strength of the liberated masses. Exactly as the author of "Letters to the South" affirmed, "our strength first of all is the strength of the people as masters and the strength of the entire country fighting aggression" (p 366).

As we read "Letters to the South" and think about the dialectic of development and the strength of man, we believe more profoundly in man, the people who are reaching the ideological height of the era and overcoming all obstacles in order to move forward.

* Marx-Engels: "Selected Works," Vol 2, Su That Publishing House, Hanoi, 1971, p 183.

** Le Duan: "The Socialist Revolution in Vietnam," Vol 3, Su That Publishing House, Hanoi, 1980, pp 317-323.

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